



THE KOLHAPUR STEEL LIMITED

Annual Report 2024-2025

Registered Office:

Yamuna, Survey No. 98/(3-7), Plot No. 3, Baner, Pune, Maharashtra, India, 411045

BOARD'S REPORT

The Members of the Company,

Your Directors present the 60th Annual Report and Audited Financial Statement of the Company for the year ended March 31, 2025.

FINANCIAL PERFORMANCE

The financial results of the Company for the Financial Year 2024-25 as compared with the previous year are as under:

(Rs. in Thousands)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations	2,75,727.53	5,34,470.47
Other Income	3,282.29	4,221.99
Total	2,79,009.82	5,38,692.46
Profit / (Loss) before exceptional items and tax	(1,78,614.38)	(2,55,981.55)
Exceptional items	17,722.80	-
Tax Expense	(632.15)	13,265.95
Profit /(Loss) for the period	(1,96,969.33)	(2,42,715.60)
Other Comprehensive Income	(852.95)	(122.26)
Surplus in Profit & Loss Account brought from previous year	(1,265,992.99)	(1,023,155.13)
Depreciation and amortization expense	15,177.89	15,047.36
Available surplus	(14,63,815.27)	(1,265,992.99)

STATEMENT OF AFFAIRS

During the year, nearly 35% of the orders were booked involving machining, which helped the Company in better sales realization. Price escalation/revisions were undertaken to the existing orders during the year which resulted into increased revenue. Cost reduction initiatives were taken at various stages reducing consumables cost and overall manufacturing cost. Voluntary Retirement Scheme (VRS) was also launched which gave an advantage of reduction of overall Employee Related Expenses. Radiographic Testing facility utilization was greater than 70% during the year, indicating better business opportunities during the next year.

During the year, the Board in its meeting held on October 15, 2024, has granted approval to the Amalgamation of the Company with Karad Projects and Motors Limited, the holding company, and their respective shareholders ("the Scheme"). The appointed date fixed for this scheme is October 3, 2024. The application for the same was filed with the National Company Law Tribunal, Mumbai Bench ("NCLT") by the Company on October 30, 2024 for its consideration and approval. NCLT passed an Order on January 29, 2025 dispensing the holding of Equity Shareholders and Secured Creditors of the Company. On 19 March 2025, the petition has been filed with NCLT. On approval of the Scheme by NCLT, both the companies would be able to optimize their returns, leverage individual strengths and achieve their strategic objectives.

During the year, the Registered Office of the Company was shifted from Pune-Bangalore Highway Shiroli (Pulachi) Taluka- Hatkanangale, Kolhapur- 416 122 to Yamuna, Survey No. 98/ (3 to 7), Plot No. 3, Baner, Pune 411045 w.e.f. November 1, 2024.

DIVIDEND

Due to financial position of the Company, no dividend is recommended for the Financial Year ended on March 31, 2025.

RESERVES

No amount is proposed to be carried to any reserves.

STATUTORY DISCLOSURES

Annual Return:

As per the provisions of Section 92(3) read with Section 134 of the Companies Act, 2013 (the Act), the Annual Return of the Company for the Financial Year ended March 31, 2025 is placed on the website of the Company at <http://www.kolhapursteel.com/we-are-tksl-investors.aspx>.

Board Meetings:

Seven Board Meetings were held during the year on April 19, 2024, June 27, 2024, July 17, 2024, August 16, 2024, October 15, 2024, January 15, 2025 and February 21, 2025.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Act, the Board of Directors report that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such controls are adequate and operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Disclosure under Section 134(3)(e):

As the Company is not covered under sub-section (1) of Section 178 of the Act, there is nothing to report under this heading.

Report of Auditors:

During the Financial Year under review, there is no qualification, reservation or adverse remarks or disclaimer made by the Statutory Auditors of the Company in their Audit Report.

During the year under review, there were no frauds reported by Auditors under Section 143 (12) of the Act.

The requirement of annexing secretarial audit report to the Board's Report, is not applicable to the Company.

Particulars of Loans, Guarantees or Investments

Pursuant to the approval of shareholders, the Company made an investment of Rs.90,18,768 by subscribing to 7,068 equity shares of Rs. 10/- each at a premium of Rs. 1,266/- per share of Sunsure Solarpark Nineteen Private Limited, during the year under review.

Except as mentioned above, no loans were given, investments made, guarantees given or security provided by the Company, under the provisions of Section 186 of the Act, during the year under review.

Particulars of contracts or arrangements with related parties

During the year under review, no material transactions were entered with related parties requiring disclosure in this report under sub-section (2) of Section 188 of the Act.

Material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and date of the report

There is nothing to report under this head.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are given in **Annexure I**.

Business Risk Management:

Senior Management team periodically reviews the working conditions affecting the Company and reports the same to the Board. In the opinion of the Board, none of the identified risks threaten the existence of the Company.

Corporate Social Responsibility Report:

The provisions of Section 135 of the Act read with Schedule VII are not applicable to the Company.

Board Evaluation:

The Board has formulated Board Evaluation Policy for evaluation of individual directors as well as the entire Board for its performance and that of its committees thereof. The evaluation framework is divided into parameters based on the various performance criteria to be done annually. The evaluation for the Financial Year ended on March 31, 2025 has been completed.

The Board Evaluation Policy of the Company is available on the website of the Company on following link: www.kolhapursteel.com/pdf/BoardEvaluationPolicy.

OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014

(i) Financial summary/highlights are already included elsewhere in this Report.

(ii) Change in the nature of the business

There has been no change in the nature of business of the Company, during the year under review.

(iii) Appointments / Resignations of Directors and Key Managerial Personnel

During the year under review, Mr. Ravish Mittal ceased to be the director of the Company due to his resignation from the Board w.e.f. February 28, 2025.

Mr. Avinash Yadav ceased to be the Chief Financial Officer of the Company w.e.f. December 24, 2024, due to the resignation.

Mr. Ananta Das has been appointed as Chief Financial Officer of the Company w.e.f. April 21, 2025.

(iiia) The requirement of appointment of Independent Director, is not applicable to the Company.

(iv) Subsidiaries, joint ventures or associate companies

The Company does not have any subsidiary, joint venture or associate. During the year under review, no company became a subsidiary, associate or joint venture company.

(v) Deposits

Your Company has not accepted any deposits within the meaning of Section 2(31) of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, the information relating to deposits is not applicable.

(vi) Details of Significant and material orders passed by the Regulators or Court or Tribunals impacting the going concern status and Company's operations in future

No such orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

(vii) Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statement

The Company has Internal Financial Control Systems which are commensurate with the size, scale, nature and complexity of its operations. Corporate Internal Audit Department (CIA) of Kirloskar Brothers Limited were appointed as Internal Auditors for Financial Year 2024-25. Based on the report of Internal Auditors the Company undertakes corrective actions and further strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Board.

(viii) Maintenance of cost records

The Company is required to maintain the cost records as specified by the Central Government under Section 148(1) of the Act and accordingly such accounts and records are being made and maintained.

(ix) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013, the report for the year ended on March 31, 2025, is as follows:

No. of complaints received in the year	Nil
No. of complaints disposed of in the year	Nil
Cases pending for more than 90 days	Nil
No. of workshops and awareness programmes conducted in the year	01
Nature of action by employer or District Officer, if any	Nil

(x) The details of application made or any proceedings pending under the Insolvency and Bankruptcy Code,2016 (31 of 2016) during the year along with their status as at the end of the Financial Year: NIL**(xi) The details of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from Banks or Financial Institutions along with the reasons thereof: NIL**

OTHER DISCLOSURES REQUIRED UNDER COMPANIES ACT, 2013:**Composition of Audit Committee:**

As required under Section 177 of the Companies Act, 2013, the Board has constituted the Audit Committee comprising of following Directors:

Mr. K. Taranath	-Chairman
Mr. Achyut Dhadphale	-Member
Mr. Suresh B. Deshpande	-Member

Particulars of Employees:

The requirement to publish information as prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company.

Holding Company:

The Company was a wholly-owned subsidiary of Kirloskar Brothers Limited upto September 30, 2024. The Company became a wholly-owned subsidiary of Karad Projects and Motors Limited w.e.f. October 01, 2024.

DISCLOSURE AS PER SECRETARIAL STANDARDS:

Your Board of Directors confirm the compliance with the applicable Secretarial Standards for the Financial Year under review.

CASH FLOW

A Cash Flow Statement for the Financial Year ended on March 31, 2025 forms part of the Financial Statement attached to this Report.

SAFETY, HEALTH AND ENVIRONMENT:

- Your manufacturing plant is certified for the Environment Management System (ISO 14001:2015). Regular internal audits at manufacturing plant make sure that the Company adheres to all legal requirements related to ISO 14001:2015.
- In addition to the external and internal audits, our plant is audited by a Safety team from another plant to check our Environmental, Health, and Safety (EHS) compliance and following standard safety practices.

- To encourage a strong safety culture among all employees, involvement of the top management is ensured. Senior managers take monthly Plant Safety Rounds to show their commitment to improving our safety culture. Employees also participate through a Yellow Tag System (SaY) to raise their concerns related to safety. Team of safety stewards for a department to ensures safety at the work place.
- 286 incidents of unsafe actions and conditions have been recorded at the workplace through various reporting initiatives, and 90.90% of these incidents have been addressed. This has helped the Company to reduce unsafe actions and conditions in our workplace.
- Measuring plant safety performance system has been introduced, considering both leading and lagging indicators.
- Events like National Safety Week, World Environment Day, Fire Safety Day, and Road Safety Day are celebrated to raise awareness among employees and encourage a safety culture.
- Together with Kamgar Kaylan Mandal, First Aid training is provided to the employees. This training gives them the skills they need to handle medical emergencies effectively. Safety committee meetings are being held every month with employees as well as with the staff to discuss safety issues, review safety protocols, and strengthen the safety culture.

As a result of all these efforts, the Company has achieved 305 working days without reportable accidents as of 31st March, 2025.

AUDITORS:

M/s. Sharp & Tannan Associates - Chartered Accountants (Firm Registration No. 109983W) were appointed as statutory auditors of the Company at the 59th Annual General Meeting ('AGM') for a period of 5 years till the conclusion of 64th AGM.

ACKNOWLEDGMENTS

Your directors wish to place on record their appreciation for the co-operation given by the banks for their extended support and also to vendors and contractors of the Company, for their valuable support extended to the Company from time to time. Your Directors would further like to record their appreciation for the sincere efforts of every employee and their contribution in the Company's progress.

For and on behalf of the Board of Directors**The Kolhapur Steel Limited**

Sd/-
Rajkumar Assudani
Managing Director

Sd/-
Ravindra Samant
Director

Pune, April 21, 2025

Form No. AOC-2

[Pursuant to clause (h) of sub section (3) of Section 134 of the Act and
 Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangement / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the resolution was passed in general meeting as required under first proviso to Section 188
- NIL -							

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangement or transactions including the value, if any.	Justification for entering into such contracts or arrangements or transactions	Amount paid as advances, if any.
-NIL-					

INDEPENDENT AUDITOR'S REPORT

To the members of **THE KOLHAPUR STEEL LIMITED**

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **The Kolhapur Steel Limited** (hereinafter referred as "the Company"), which comprise the balance sheet as at 31 March 2025, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year ended on that date and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (hereinafter referred as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2025, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the audit of the standalone financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 45 of the standalone financial statements which indicates that the Company's net worth has got eroded as of March 31, 2025 and the Company's current liabilities exceeded its current assets. These conditions, along with other matters as stated in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Based on our discussions with the management of the Company as well as the Ultimate Holding Company (Kirloskar Brothers Limited) is fully committed to support the Company to meet all its financial liabilities and in this regard the management of the Ultimate Holding Company has issued a comfort/support letter.

Our opinion is not modified with respect of this above matter.

Emphasis of matter

We draw attention to note no. 46(a) to the standalone financial statements, which describes that the Company is in the process of merging with the Karad Projects and Motors Limited. This proposed merger scheme is subject to all applicable statutory and regulatory approvals.

Our opinion is not modified with respect of this above matter.

Other matter

The standalone financial statements include financial statements for the year ended 31 March 2024 which were audited by the predecessor auditor and they had expressed an unmodified audit opinion thereon vide their report dated 19 April, 2024.

Our opinion is not modified in respect of this other matter.

Information other than the standalone financial statements and auditor's report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's responsibilities for the standalone financial statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design,

implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Company's Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act and based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"** our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - refer note no. 29 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025.
 - iv. Reporting on rule 11(e):
 - (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 41(h)(1), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 41(h)(2), no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. During the previous year, the Company has not declared/paid dividend. Accordingly, reporting under section 123 of the Act is not applicable.

vi. Based on our examination which included test checks, except for instances mentioned below, the Company, has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention, other than the consequential impact of exceptions mentioned below (Refer note no. 42 to the standalone financial statements):

A) In respect of an accounting software - The audit trail feature was not enabled at the database level to log any direct data changes.

B) In respect of maintenance of register for property, plant and equipment and inventory valuation of WIP is maintained in MS excel wherein it does not have audit trail feature.

C) In respect of Human Resource Management System (HRMS) – the Company uses services of a third-party service provider for salary processing and in the absence of Service Organisation Control Type 2 Report/ISAE 3402, "Assurance Reports on Control at a Service Organisation", specifically covering the maintenance of audit trail, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

For **Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration no. 109983W

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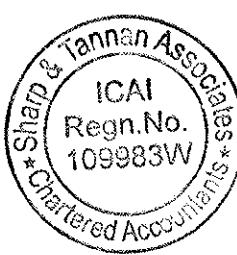


CA Pramod Bhave

Partner

Membership no.(F) 047751

UDIN: 25047751BMKXAM4343



Pune, 21 April 2025

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading, "Report on Other Legal and Regulatory Requirements" of our report on even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
(b) The Property, Plant and Equipment have been physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.
(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
(d) The Company has neither revalued its Property, Plant and Equipment (including Right of Use assets) nor intangible assets during the year. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.
(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) of the Order is not applicable.
- (ii) (a) Physical verification of inventory, except goods-in-transit has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate. Discrepancies noticed on physical verification were less than 10% in the aggregate for each class of inventory and the same have been properly dealt with in the books of account.
(b) The Company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks on the basis of security of current assets. The management of the Company has provided us with the quarterly returns or statements, which they have represented to us have been filed by the Company with their banks. These quarterly returns/ statements are in agreement or have been reconciled with the books of account. *Further it was explained that the compilation of quarterly return for March 2025 was under process.*
- (iii) (a) The Company has not provided any guarantee, security or granted any secured loans or secured or unsecured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment in company and has not made investment to firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under paragraph 3 Clause (iii) (a), (c), (d), (e) and (f) of the Order is not applicable to the Company.

(b) The investments made, during the year are not prejudicial to the Company's interest.

(iv) The Company has complied with the provisions of Section 186 of the Companies Act, 2013, in respect of the investments made including obtaining the approval of shareholders by way of a special resolution. The Company has not granted any loans or provided any guarantees or securities during the year, and hence the provisions of Section 185 and other applicable provisions of Section 186 in this regard are not applicable.

(v) The Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) is not applicable.

(vi) The Central Government has specified maintenance of cost records under section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that, *prima facie*; the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.

(vii) In respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, value added tax, cess, and any other statutory dues, as applicable, to the appropriate authorities. There are no arrears of statutory dues outstanding as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.

(b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited with the concerned authorities as on 31 March, 2025, on account of dispute are given below:

Name of Statute	Nature of dues	Amount involved ₹ thousands	Amount unpaid ₹ thousands	Period to which amount Relates	Forum where Dispute is Pending
Central Excise Act, 1992	Central Excise Duty	1,092.47	550.26	1986-87 and 2002-03	Central Excise and Service Tax, Appellate Tribunal
Goods and Services Tax Act, 2017	GST	1,336.40	1,336.40	FY 2017-18	Appeal filed before commissioner central tax
Goods and Services Tax Act, 2017	GST	2,574.62	2,491.02	FY 2017-18 and FY 18-19	Appeal filed before commissioner central tax
Total		5,003.49	4,377.68		

- (viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax act, 1961 as income during the year. Accordingly, reporting under para 3(viii) is not applicable.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, reporting under para 3(ix)(a) is not applicable.
- (b) We report that the Company has not been declared as willful defaulter by any bank or financial institution or other lender. Accordingly, reporting under para 3(ix)(b) is not applicable.
- (c) The term loan were applied for the purpose for which the term loans were obtained.
- (d) Funds raised on short term basis have not been utilised for long term purposes. Accordingly, reporting under para 3(ix)(d) is not applicable.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under para 3(ix)(e) is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under para 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on para 3(x)(a) is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.
- (xi) (a) No fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting on para 3(xii) of the order is not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the standalone financial statements as required by the applicable IND AS. (Refer note no. 34 to the standalone financial statement.)
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued during the year and pertaining to the year under audit.
- (xv) The company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act,

2013 are not applicable to the company. Accordingly, reporting on para 3(xv) of the order is not applicable.

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(a) is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, reporting on para 3(xvi)(b) is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on para 3(xvi)(c) of the order is not applicable.
- (d) The group does not have CIC as part of the group. Accordingly, reporting on para 3(xvi)(d) of the order is not applicable.

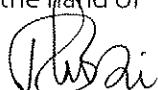
- (xvii) The Company has incurred cash losses of ₹ 1,70,001.34 thousands in the current financial year and ₹ 2,25,547.04 thousands in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, the Ultimate Holding Company has given, comfort letter for extending support in meeting its liabilities/obligations existed at balance sheet date and when they fall due. Refer para "Material Uncertainty Related to Going Concern" in our Independent Auditors Report.
- (xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects required a transfer to a Fund specified in Schedule VII to the companies Act in compliance with second proviso to sub section (5) of section 135 of the Act. Accordingly, reporting on para 3(xx)(a) of the order is not applicable.
- (b) There is no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects requiring a transfer to a special account in compliance with sub-section (6) of section 135 of the Act. Accordingly, reporting on para 3(xx)(b) of the order is not applicable.

For **Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration no. 109983W

by the hand of

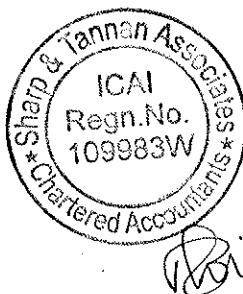


CA Pramod Bhishe

Partner

Membership no.(F) 047751

UDIN: 25047751BMKXAM4343



Pune, 21 April 2025

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

Report on the Internal Financial Controls

[under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")]

Opinion

We have audited the internal financial controls over financial reporting of **The Kolhapur Steel Limited** (hereinafter referred as "the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

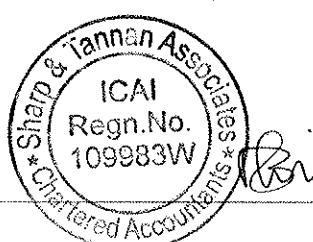
In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

Managements and Board of Directors responsibility for internal financial controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration no. 109983W

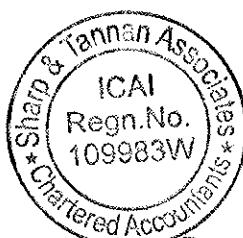
by the hand of


CA Pramod Bhide

Partner

Membership no.(F) 047751

UDIN: 25047751BMKXAM4343



Pune, 21 April 2025

The Kolhapur Steel Limited
Balance Sheet as at 31 March 2025

(Amounts in Thousand Rupees)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,98,686.68	2,13,264.03
Right of Use Assets	3	1,231.61	1,510.31
Other Intangible assets	3	232.18	282.61
Intangible assets Under Development	3	-	130.00
Financial Assets			
Investments	4	9,018.77	-
Others	6	3,961.28	3,073.27
Deferred tax assets (net)	19	17,869.92	18,215.20
Other non-current assets	7	3,006.40	2,907.35
Total non-current assets		2,34,006.84	2,39,382.77
Current assets			
Inventories	8	1,48,648.93	1,02,833.94
Financial Assets			
Trade receivables	5	38,656.20	63,478.73
Cash and cash equivalents	9	53.63	4,204.47
Other current assets	10	96,115.06	99,379.25
Asset Held for Sale	11	53,093.77	53,093.77
Total current assets		3,36,567.59	3,22,990.16
TOTAL ASSETS		5,70,574.43	5,62,372.93
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	4,17,000.00	3,42,000.00
Other equity	13	(14,53,462.35)	(11,80,640.07)
Total equity		(10,36,462.35)	(8,38,640.07)
LIABILITIES			
Financial Liabilities			
Borrowings	14	44,977.28	1,12,050.50
Lease Liability	15	1,114.79	1,377.88
Provisions	17	22,837.60	28,521.96
Other non-current liabilities	18	1,37,000.00	1,37,000.00
Total non-current liabilities		2,05,929.67	2,78,950.34
Current liabilities			
Financial liabilities			
Borrowings	14	3,92,776.32	1,37,216.40
Lease Liability	15	263.10	239.11
Trade payables			
- Dues of Micro and Small Enterprises	16	10,882.36	42,985.46
- Dues of other than Micro and Small Enterprises	16	8,55,457.55	7,63,569.00
Other financial liabilities	15	39,936.93	30,785.73
Provisions	17	10,244.11	10,964.21
Other current liabilities	18	91,546.74	1,36,302.75
Total current liabilities		14,01,107.11	11,22,062.66
Total liabilities		16,07,036.78	14,01,013.00
TOTAL EQUITY AND LIABILITIES		5,70,574.43	5,62,372.93

Corporate Information

1

Summary of Material Accounting policies

2

See accompanying notes to financial statements

3-46

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For SHARP & TANNAN ASSOCIATES

Chartered Accountants

FRN- 109983W

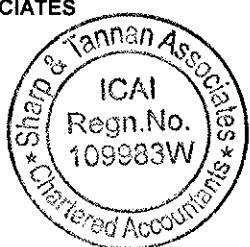
Pramod Bhave

Partner

Membership No. (F) - 047751

Place - Pune

Date: April 21, 2025



Rajkumar Assudani
Managing Director
DIN:10254310

Ananta Das
Chief Finance Officer
Date: April 21, 2025

Ravindra Samant
Director
DIN:07002226

Gaurav Deshmukh
Company Secretary
Date: April 21, 2025

The Kolhapur Steel Limited
Statement of profit and loss for the year ended 31 March 2025

(Amounts in Thousand Rupees)

Particulars	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from Operations	20	2,75,727.53	5,34,470.47
Other Income	21	3,282.29	4,221.99
Total Income		2,79,009.82	5,38,692.46
Expenses			
Cost of materials consumed	22 a	1,55,012.63	2,99,820.88
Purchases of Stock-in-Trade	22 b	6,104.30	4,178.00
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	23	(50,264.66)	46,383.29
Employee benefits expense	24	91,750.34	1,02,115.52
Finance costs	25	48,958.45	61,655.17
Depreciation and amortization expense	26	15,177.89	15,047.36
Other expenses	27	1,90,885.25	2,65,473.79
Total expenses		4,57,624.20	7,94,674.01
Profit/(loss)before exceptional items and tax		(1,78,614.38)	(2,55,981.55)
Exceptional items : Refer note 41 (I)		17,722.80	-
Profit / (loss) before tax		(1,96,337.18)	(2,55,981.55)
Tax expenses			
(1) Current tax	19	(632.15)	13,265.95
(2) Deferred tax		-	-
(3) Short provision of earlier years		(632.15)	13,265.95
Total Tax expenses		(1,96,969.33)	(2,42,715.60)
Profit/(loss) for the year			
Other Comprehensive Income			
Items that will not be reclassified to profit or (loss)	28	(1,139.82)	(163.38)
Income tax relating to items that will not be reclassified to profit or loss		286.87	41.12
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year, net of tax		(852.95)	(122.26)
Total Comprehensive Income for the year		(1,97,822.28)	(2,42,837.86)
Earnings per equity share	32		
(1) Basic		(5,190.23)	(7,096.95)
(2) Diluted		(5,190.23)	(7,096.95)
Corporate Information		1	
Summary of Material Accounting policies		2	
See accompanying notes to financial statements		3-46	
The notes referred to above form an integral part of the financial statements			
As per our report of even date attached			

For and on behalf of the Board of Directors

Rajkumar Assudani
Managing Director
DIN:10254310

Ravindra Samant
Director
DIN:07002226

Ananta Das
Chief Finance Officer
Date: April 21, 2025

Gaurav Deshmukh
Company Secretary
Date: April 21, 2025

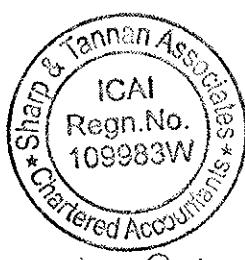
Pramod Bhave

Place - Pune

Membership No. (F) - 047751

Pune

Date: April 21, 2025



The Kolhapur Steel Limited
Statement of Cash Flow for the year ended 31 March 2025

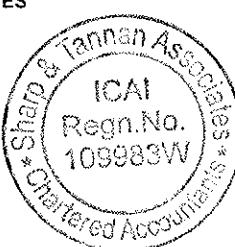
(Amounts in Thousand Rupees)

Sr No	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
A	Cash flows from Operating Activities		
	Net profit /(loss) before tax	(1,96,337.18)	(2,55,981.55)
	Adjustments for :-		
1	Depreciation / Amortization	15,177.89	15,047.36
2	Fixed Assets written off and reversal of impairment	-	153.99
3	Profit on sale of Fixed Assets	(2.50)	(1,230.49)
4	Bad debts written off	18.95	566.01
5	Provision for doubtful debts, advances and claims	11,790.08	-
6	Interest Income	(126.00)	(8.63)
7	Interest Expenses	45,241.70	57,465.74
8	Interest Expenses - Lease	144.89	166.70
9	Excess Provision written back	(4.65)	(634.42)
	Operating Profit Before Working capital changes	(1,24,096.82)	(1,84,455.30)
	Adjustments for :-		
1	(Increase)/ decrease in inventories	(45,814.99)	58,259.18
2	(Increase)/ decrease in trade receivables	13,013.51	(30,620.46)
3	(Increase)/ decrease in financial assets	(888.01)	(1,635.36)
4	(Increase)/ decrease in non-financial assets	3,266.21	(59,412.47)
5	Increase/ (decrease) in trade payable	59,785.45	2,56,575.61
6	Increase/ (decrease) in financial liabilities	10,920.77	4,781.14
7	Increase/ (decrease) in non-financial liabilities	(44,756.00)	53,537.13
8	Increase/ (decrease) in provisions	(7,539.63)	1,788.66
	Cash Generated from Operations	(1,36,109.53)	98,818.13
9	Income Tax (Paid) / Refunded net of provision	1,543.33	(1,533.87)
	Net Cash Flow from Operating Activities	(1,34,566.20)	97,284.26
B	Cash flows from Investing Activities		
1	Purchase of property, plant and equipment and intangible assets	(3,555.36)	(6,001.71)
2	Proceeds from sale of property, plant and equipment	2.50	1,230.50
3	Long Term Investment	(9,018.77)	-
4	Interest Received	126.00	8.63
5	Advance against sale of land	-	1,37,000.00
	Net Cash Flow from Investment Activities	(12,445.63)	1,32,237.42
C	Cash flows from Financing Activities		
1	Repayment of borrowings	(86,513.31)	(2,17,523.62)
2	Proceeds from borrowing	2,75,000.00	50,000.00
3	Payment of lease liabilities	(384.00)	(384.00)
4	Interest Paid	(45,241.70)	(57,465.74)
	Net Cash Flow from Financing Activities	1,42,860.99	(2,25,373.36)
	Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(4,150.84)	4,148.32
1	Cash & Cash Equivalents at beginning of year	4,204.47	56.15
2	Cash & Cash Equivalents at end of the year (refer note 9)	53.63	4,204.47

Note :- 1. Previous year's figures are regrouped wherever necessary to make them comparable with the Current Year.
2. Cash flow is prepared using "indirect method" as per Ind AS 7.

As per our report of even date attached
For SHARP & TANNAN ASSOCIATES
Chartered Accountants
FRN- 109983W

Pramod Bhisal
Partner
Membership No. (F) - 047751
Place - Pune
Date: April 21, 2025



For and on behalf of the Board of Directors

Rejkumar Assudani
Managing Director
DIN:10254310

Ananta Das
Chief Finance Officer
Date: April 21, 2025

Ravindra Samant
Director
DIN:07002226

Gaurav Deshmukh
Company Secretary
Date: April 21, 2025

The Kolhapur Steel Limited
Statement of Changes in Equity for the period ended 31 March 2025

(Amounts in Thousand Rupees)

A. Equity Share Capital

Balance as at 1 April 2023	Changes in equity share capital during the year		Balance as at 31 March 2024
2,67,000	75,000		3,42,000

Balance as at 1 April 2024	Changes in equity share capital during the year		Balance as at 31 March 2025
3,42,000	75,000		4,17,000

B. Other Equity

Particulars	Reserves and Surplus					Total
	6% Non-Cumulative Convertible Preference Share	Securities Premium	Capital Reserve - (Forfeited Shares)	General reserve	Retained Earnings	
Balance as at 1 April 2023	1,50,000.00	2,523.56	1.56	7,827.80	(10,23,155.13)	(8,62,802.21)
Profit/(Loss) for the year	-	-	-	-	(2,42,715.60)	(2,42,715.60)
Other comprehensive income	-	-	-	-	(122.26)	(122.26)
Conversion of preference shares into equity shares	(75,000.00)	-	-	-	-	(75,000.00)
Balance as at 31 March 2024	75,000.00	2,523.56	1.56	7,827.80	(12,65,992.99)	(11,80,640.07)
Profit/(Loss) for the year	-	-	-	-	(1,96,969.33)	(1,96,969.33)
Other comprehensive income	-	-	-	-	(852.95)	(852.95)
Dividends Paid	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Conversion of preference shares into equity shares	(75,000.00)	-	-	-	-	(75,000.00)
Balance as at 31 March 2025	0.00	2,523.56	1.56	7,827.80	(14,63,815.27)	(14,53,462.35)

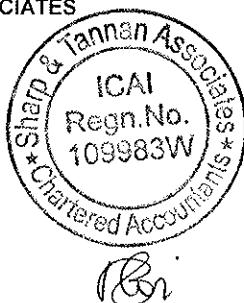
As per our report of even date attached

For and on behalf of the Board of Directors

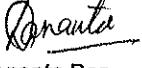
For SHARP & TANNAN ASSOCIATES
Chartered Accountants

FRN- 109983W

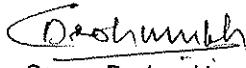
Pramod Bhave
Partner
Membership No. (F) - 047751
Place - Pune
Date: April 21, 2025




Rajkumar Assudani
Managing Director
DIN:10254310


Ananta Das
Chief Finance Officer
Date: April 21, 2025


Ravindra Samant
Director
DIN:07002226


Gaurav Deshmukh
Company Secretary
Date: April 21, 2025

The Kolhapur Steel Limited

Notes to accounts:

1. Corporate information

The Kolhapur Steel Limited (TKSL), a subsidiary Company of Karad Projects and Motors Limited (previous year Kirloskar Brothers Limited), established in the year 1965. TKSL is manufacturing of Mild Steel and Stainless Steel castings for various industries, viz. Power sector, Pumps and Valve, Mining, Cement, Heavy engineering application, Sugar etc.

2. Material accounting policies

2.1 Basis of preparation

The financial statements have been prepared to comply in all material respects with Companies (Indian Accounting Standards) Rules, 2015 with section 133 of the Companies Act 2013 as amended on time to time.

In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The Company maintains it's accounts on accrual basis following historical cost convention except for certain financial instruments which are measured at fair values. The financial statements have been prepared on accrual and going concern basis.

The financial statements were authorised for issue by the Board of Directors on 21st April 2025.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis in accordance with Ind AS on each reporting date.

Items	Measurement basis
Defined benefit Obligation	Fair Value

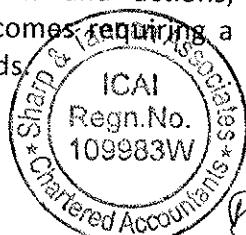
2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information is presented in INR rounded to the nearest Thousands except share and per share data, unless otherwise stated.

Exchange differences are recognized in the Statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

2.4 Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods.



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This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgments

The areas involving critical estimates or judgments are:

1. Estimation of defined benefit obligation – Refer note 33

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables which tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 33.

2. Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Estimation of provision for warranty claims – Refer note 2.15 Provisions

4. Estimated useful life of intangible assets - Refer note 2.8 Intangible asset and amortization

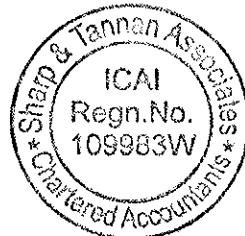
Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



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A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost is calculated on moving weighted average method.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials and stores spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost is calculated on moving weighted average method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Based on ageing of inventory and it's future potential to generate economic benefit, company provides for slow and non-moving inventory using provision matrix. This provision is reversed once such inventory is consumed or expected to be consumed.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Assessment of net-realizable value is made at regular intervals (each reporting period) and at change of events.

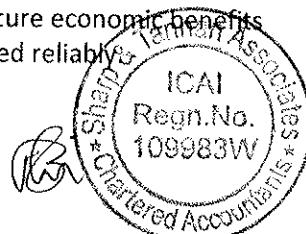
2.6 Cash and Cash Equivalent

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in balance sheet.

2.7 Property, plant and equipment

• Recognition and measurement

The cost of an item of PPE, shall be recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably.



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Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/expenses in the statement of profit and loss.

- **Depreciation**

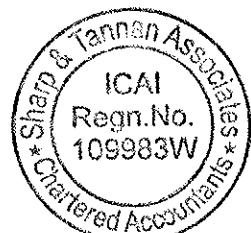
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, except in following cases where the management based on the technical evaluation have estimated the life to be higher or lower than the life prescribed in schedule II.

Particulars	Life
Computer	3 and 6 years
Pattern, Tools and Tackles	3 and 8 years

- **Asset held for sale**

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is expected to be recovered principally through a sale rather than continued use, and the sale is highly probable within 12 months.

Such assets are measured at the lower of carrying amount and fair value less costs to sell and are presented separately in the Balance Sheet. Depreciation ceases once classified as held for sale. Subsequent impairments or reversals are recognized in the Statement of Profit and Loss. If the sale is no longer probable, the asset is reclassified and measured at the lower of its recoverable amount and the carrying amount as if it had not been classified as held for sale.



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2.8 Intangible assets and amortization

- **Recognition and measurement**

Intangible assets are recognized when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

- **Subsequent measurement**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortization**

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets which is 3 years from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

2.9 Revenue recognition

Company recognizes revenue when it transfers control over a good or service to a customer i.e. when it has fulfilled all 5 steps as given by Ind AS 115.

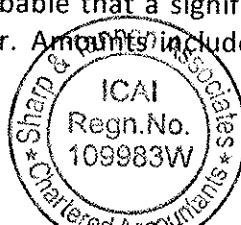
Revenue is measured at transaction price i.e. Consideration to which a company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component.

For contracts with multiple performance obligations, transaction price is allocated to different obligations based on their standalone selling price. In such case, revenue recognition criteria are applied for each separately to different performance obligations, in order to reflect the substance of the transaction and revenue is recognized separately for each obligation as and when the recognition criteria for the component is fulfilled.

GST is not received by the Company on its own account. Accordingly, it is excluded from revenue.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Amounts included in



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revenue are net of returns, trade allowances, rebates, and goods and service tax.

Rendering of services

Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on surveys of work performed.

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Company sells the services in separate transactions.

Other income

Other income comprises of interest income, dividend income, foreign currency gain on financial assets and liabilities, weighbridge and export benefits.

Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method. Dividend income and export benefits in the form of Duty Draw Back claims are recognised in the statement of profit and loss on the date that the Company's right to receive payment is established.

2.10 Finance costs

Finance costs comprises of interest expense on borrowings, and foreign currency loss on financial assets and liabilities. Interest expenditure is recognised as it accrues in the statement of profit and loss, using the effective interest method.

2.11 Foreign currencies transactions

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

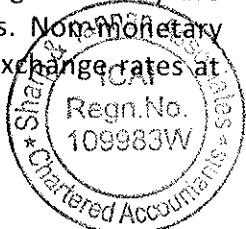
Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Transactions and balances

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates of the initial transactions.



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the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.12 Employee Benefits

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Post-Employment Benefits

Defined Contribution Plans

The Company's state governed provident fund scheme related and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plans

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

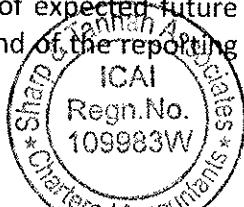
The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expenses on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Long Term Employee Benefit

Compensated absences liabilities mean, the liabilities for earned leave that are not expected to be settled wholly within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting



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period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation

2.13 Income Taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



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Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.14 Provisions

A Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in case of –

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) present obligation arising from past events, when no reliable estimate is possible
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.15 Leases

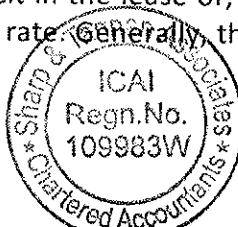
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the





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company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at the same value at which the lease liability is recognized.

2.16 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



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2.17 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are determined using present value estimates or other valuation techniques, for example, the present value of estimated expected future cash flows using discount rates commensurate with the risks involved. Fair value estimation techniques normally incorporate assumptions that market participants would use in their estimates of values, future revenues, and future expenses, including assumptions about interest rates, default, prepayment and volatility. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent market quotes and, in many cases, the estimated fair values would not necessarily be realized in an immediate sale or settlement of the instrument.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

The instruments carried at fair value were categorized under the three levels of the Ind AS fair value hierarchy as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

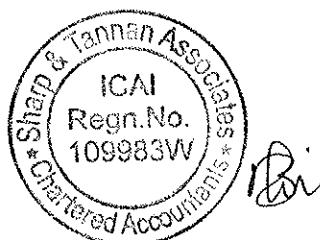
2.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



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Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- 1) Debt instruments at amortized cost
- 2) Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

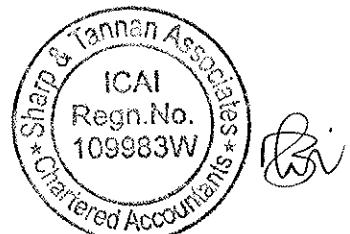
- a. Trade receivables or contract revenue receivables; and
- b. All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Financial liabilities

Initial recognition and measurement

The company initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.



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A financial liability is measured initially at fair value, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.19 Earnings per share

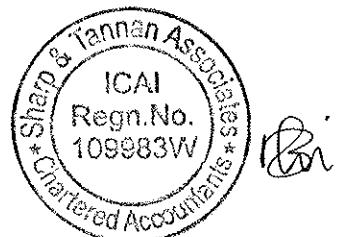
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Borrowing

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).



The Kolhapur Steel Limited

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.21 Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM).

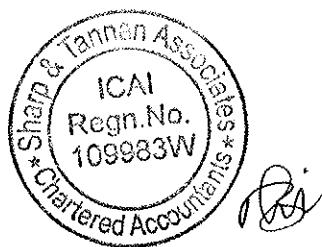
The board of directors of the company assesses the financial performance and position of the company and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

The company operates in a single reporting segment of 'Mild and Stainless-Steel Castings'.

2.22 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.

MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2025.



Note 3: Property, Plant and Equipment, Right of Use and Intangible Assets

(Amounts in Thousand Rupees)

Particulars	Tangible Assets - Owned								Right of use of Asset	Lease Assets	Intangible Assets	
	Land (Free hold)	Buildings	Electrical Installation	Plant & Equipment	Computer	Furniture & Fixtures	Office Equipments	Vehicles	Pattern & Dies	Tools & Tackles	Total	
Gross Block												
As at 31 March 2023	1,23,628.86	93,473.43	2,615.06	2,06,758.02	4,922.28	872.40	1,689.96	2,122.88	1,000.00	143.35	4,36,966.24	3,522.04
Additions	-	2,434.97	-	17,671.45	154.32	-	32.65	-	-	4.30	20,297.69	-
Disposals	-	-	-	3,829.88	-	-	16.31	-	-	-	3,846.19	-
Asset Transferred to held for sale	51,215.64	-	-	-	-	-	-	-	-	-	51,215.64	-
As at 31 March 2024	72,413.22	95,608.40	2,615.06	2,20,639.59	5,076.60	872.40	1,706.30	2,122.88	1,000.00	147.65	4,02,202.10	3,522.04
Additions	-	-	27.28	114.12	-	-	-	-	-	-	141.40	-
Disposals	-	-	-	8.33	-	-	-	-	-	-	8.33	130.00
As at 31 March 2025	72,413.22	95,608.40	2,642.34	2,20,745.38	5,076.60	872.40	1,706.30	2,122.88	1,000.00	147.65	4,02,335.17	3,522.04
Depreciation/ Amortisation												
As at 31 March 2023	-	21,571.72	505.41	1,46,752.94	4,246.92	449.22	1,604.41	2,036.44	770.01	133.63	1,78,100.70	1,732.90
Charge for the year	-	2,843.64	252.94	10,793.61	364.41	61.95	52.30	34.71	98.25	7.75	14,529.56	278.83
Depreciation on disposal	-	-	-	3,675.89	-	-	16.31	-	-	-	3,692.20	185.75
As at 31 March 2024	-	24,415.36	758.35	1,53,900.66	4,631.33	511.17	1,640.40	2,071.15	868.26	141.38	1,88,938.06	2,011.73
Charge for the year	-	2,875.64	245.54	11,151.94	217.30	62.00	28.72	34.77	98.46	4.39	14,718.76	278.70
Depreciation on disposal	-	-	-	8.33	-	-	-	-	-	-	8.33	180.43
As at 31 March 2025	-	27,291.00	1,003.89	1,65,044.27	4,848.63	573.17	1,669.12	2,105.92	966.72	145.77	2,03,648.49	2,290.43
Net block												
As at 31 March 2025	72,413.22	68,317.40	1,638.45	55,701.11	227.97	299.23	37.18	16.96	33.28	1.88	1,98,686.68	1,234.61
As at 31 March 2024	72,413.22	71,193.05	1,856.71	66,738.93	445.27	361.23	65.90	51.73	131.74	6.27	2,13,264.03	1,510.31
												282.61

Notes:

1) Property, plant and equipment pledged as security
Company has mortgaged its property, Plant and Equipment against borrowing from ICI Bank - Refer note no 14

2) Impairment loss

No additional provision made for impairment loss during the year.

3) Contractual obligations

Refer note No 30 for estimated amount of contract remaining to be executed on capital account
Intangible asset under development

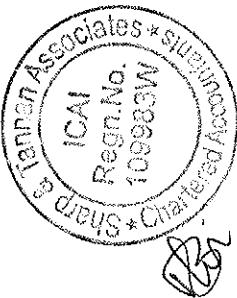
Aging Schedule as on 31 March 2025

Particulars	Amount in CWIP for a Period of				Total
	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	
Intangible asset under development	-	-	-	-	130.00

Aging Schedule as on 31 March 2024

Particulars	Amount in CWIP for a Period of				Total
	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	
Intangible asset under development	130.00	-	-	-	130.00

Note: CWIP comprise intangible asset Rs 130.00 thousand at Plant.



The Kolhapur Steel Limited
Notes to Accounts

(Amounts in Thousand Rupees)

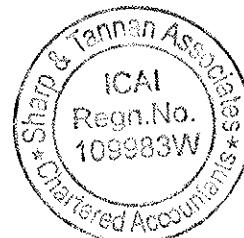
Note 4: Financial Asset - Investments

Particulars	As at 31 March 2025	As at 31 March 2024
Long term investments (non current)		
Investments at Fair Value Through Other Comprehensive Income 7,068 (PY-Nil) Equity shares of Rs. 10/- each at a premium of Rs. 1,266 per share of Sunsure Solarpark Nineteen Private Limited (Refer note- 34C)	9,018.77	-
Total Investments	9,018.77	-

Note 5 : Financial Assets : Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
Trade Receivable - Others	44,594.87	56,570.58
Trade Receivable from Related Party (Refer note 34)	9,640.90	9,774.19
Less: Loss Allowance	(15,579.57)	(2,866.04)
Total	38,656.20	63,478.73
Break-up of Security Details		
Trade Receivable Considered Good- Secured	-	-
Trade Receivable Considered Good- Unsecured	38,656.20	63,478.73
Trade Receivable which have significant increase in credit risk	15,579.57	2,866.04
Trade Receivable- Credit Impaired	-	-
	54,235.77	66,344.77
Less: Loss Allowance	(15,579.57)	(2,866.04)
Total	38,656.20	63,478.73
Total Trade receivables	38,656.20	63,478.73

1. Trade receivables are non interest bearing and are generally on, 30 days to 90. days credit term. Refer note 37 for ageing and movement of loss allowance.
2. No trade or other receivable or loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except Rs 2,829.77 thousand receivable from Kirloskar Ebara Pumps Limited-refer note no 34 D.



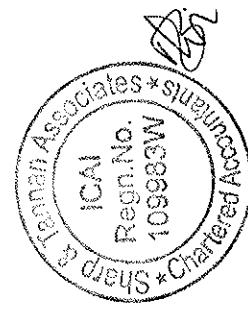
(Amounts in Thousand Rupees)

Trade Receivable Ageing Schedule- as on 31.03.2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
Undisputed Trade Receivable						
Considered good	27,715.71	7,689.17	1,515.56	1,633.18	102.58	-
Considered Doubtful						38,656.20
Total Undisputed Trade Receivable (a)	27,715.71	7,689.17	1,515.56	13,748.95	367.57	1,463.05
Disputed Trade Receivables						
Considered good						1,463.05
Considered Doubtful						54,235.77
Total Disputed Trade Receivable (b)	-	-	-	-	-	-
Total Trade Receivable (a+b)	27,715.71	7,689.17	1,515.56	15,382.13	470.15	1,463.05
Less:- Provision for doubtful debts						
Net Trade Receivable	27,715.71	7,689.17	1,515.56	1,633.18	102.58	-
						38,656.20

Trade Receivable Ageing Schedule- as on 31.03.2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
Undisputed Trade Receivable						
Considered good	51,248.47	767.55	3,763.11	7,490.61	208.99	-
Considered Doubtful						63,478.73
Total Undisputed Trade Receivable (a)	51,248.47	784.06	3,763.11	7,540.30	49.69	254.78
Disputed Trade Receivables						
Considered good						2,545.06
Considered Doubtful						2,866.04
Total Disputed Trade Receivable (b)	51,248.47	784.06	3,763.11	7,540.30	463.77	2,545.06
Less:- Provision for doubtful debts						
Net Trade Receivable	51,248.47	767.55	3,763.11	7,490.61	208.99	-
						63,478.73



The Kolhapur Steel Limited
Notes to Accounts

(Amounts in Thousand Rupees)

Note 6 : Financial Assets: Others

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
(a) Security deposits	2,026.65	1,264.65
(b) Margin Money Deposit with bank having maturity more than 12 months	1,934.63	1,808.62
Less: Loss Allowance	3,961.28	3,073.27
Total	3,961.28	3,073.27
Current		
Total	-	-
Total Financial Assets Others	3,961.28	3,073.27

Note 7 : Other non-current assets

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Capital advances	1,644.38	-
(b) Other Prepaid Borrowing Cost	1,644.38	-
(c) Prepaid expenses	351.38	527.06
(d) Advance income tax (net of provision)	202.54	28.86
	808.10	2,351.42
Total Other non-current assets	3,006.40	2,907.34

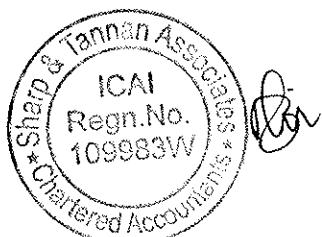
Note 8 : Inventories

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Raw Materials	27,112.05	25,196.24
(b) Work-in-progress	93,986.43	39,881.19
(c) Finished goods	2,514.93	4,513.51
(d) Stock-in-trade	4,792.17	6,634.17
(e) Stores and spares	20,243.35	26,608.83
(Mode of valuation refer note 2.5 of Notes to Accounts)		
Total Inventories	1,48,648.93	1,02,833.94

Amounts recognised in profit or loss

Write-down of inventories to net realisable value amounted to (net of reversal) Rs. 0.00 Thousand on Finished Goods and Rs. 2,320.28 Thousand on Work in Progress, (31 March 2024 : Rs 20.00 thousand on Finished Goods and Rs. 3,671.97 Thousand on Work in Progress). These were recognised as an expenses during the year and included in 'material consumption'.

Refer Note No.14 for details of inventory pledged as security



The Kolhapur Steel Limited
Notes to Accounts

(Amounts in Thousand Rupees)

Note 9 : Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Balances with bank In current account Other bank deposits	5.40	4.87
(b) Cash on hand	48.23	89.11
(c) Cheques on hand	-	4,110.49
Total Cash and cash equivalents	53.63	4,204.47

Note 10 : Other current assets

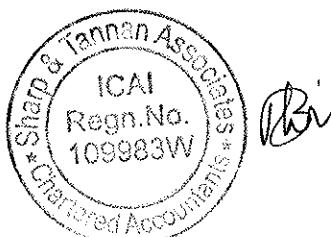
Particulars	As at 31 March 2025	As at 31 March 2024
(a) Advances to supplier and others Capital Advance Others	82.22	124.86
	82.22	124.86
(b) Prepaid expenses	2,166.92	1,895.44
(c) Other Prepaid Borrowing Cost	175.69	175.69
(d) Claims receivable Deposits and receivables from Custom and Service Tax GST Receivable	542.21 93,148.02 96,032.84	542.21 96,641.05 99,254.39
Total Other current asset	96,115.06	99,379.25

Note 11 : Asset Held for Sale

Particulars	As at 31 March 2025	As at 31 March 2024
a) Asset Held for Sale	53,093.77	53,093.77
Total Asset Held for Sale	53,093.77	53,093.77

The company has irrevocably agreed to sell, convey, transfer and assign all the pieces and parcels of the land admeasuring area of 36,421.7 Sq. mtr to KBL (Ultimate Holding Company) through Agreement to sale against which company has received an amount of Rs.1,37,000.00 Thousand as a token amount.

Accordingly as per Ind As-105 "Non current Asset held for sale and Discontinued Operations"- the said portion of land and building thereon is classified as current asset held for sale in results.



(Amounts in Thousand Rupees)

Note 12: Equity share capital

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised		
45,000* (40,000) equity shares of Rs 10,000/- each	4,50,000.00	4,00,000.00
Issued, subscribed & fully paid up		
41,700 (34,200) Equity Share of Rs 10,000/- each	4,17,000.00	3,42,000.00
	4,17,000.00	3,42,000.00

a) Terms/ rights attached to equity shares

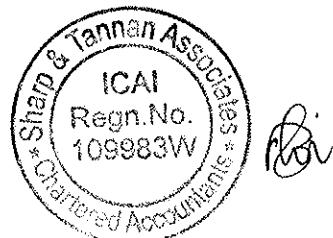
i) The company has only one class of equity shares, having par value of Rs. 10,000/- per share (Previous year Rs.10,000/- per share). Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of share capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	34,200	3,42,000.00	26,70,00,000	2,67,000.00
Less:- by consolidation of existing 10,000 equity shares of Re.1/- each into new 1 equity share of Rs 10,000/- (Rupees Ten Thousand only) each **	-	-	(26,69,73,300)	-
Preference Shares Converted into equity shares during the year *	7,500	75,000.00	7,500.00	75,000.00
Shares outstanding at the end of the year	41,700	4,17,000.00	34,200	3,42,000.00

c) Details of shareholder holding more than 5% shares

Name	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Karad Projects and Motors Limited	41,700	100	Nil	
Kirloskar Brothers Limited	Nil		34,200	100



The Kolhapur Steel Limited
Notes to Accounts

(Amounts in Thousand Rupees)

d) Shares Held by Holding Company

Name	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Karad Projects and Motors Limited #	41,700	100	Nil	
Kirloskar Brothers Limited	Nil		34,200	100

In last five years the Company has neither issued any bonus shares nor shares issued for consideration other than cash. Further the Company has not bought back any shares in last five years.

With effect from 1st October 2024, the Company became wholly owned subsidiary company of Karad Projects and Motors Limited by virtue of 100% shares transferred from Kirloskar Brothers Limited to Karad Projects and Motors Limited.

* During the year, the company has converted second tranche of 7,50,00,000 6% Non-cumulative convertible preference shares of Re.1 each into 7,500 equity share of Rs.10,000 each

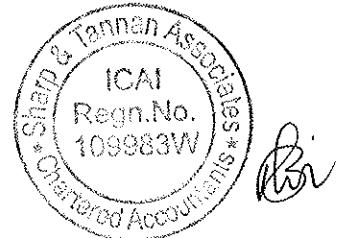
**As per share holders approval and vide National Company Law Tribunal (NLCT) Mumbai order dated 23rd February 2024, the Company has consolidated the Issued, Subscribed and Paid up equity shares in the share capital of the Company by increasing the face value of the equity shares from Re. 1/- (Rupee One Only) each to Rs 10,000/- (Rupees Ten Thousand Only) each by consolidating existing 10,000 equity shares of Re.1/- each into new 1 equity share of Rs 10,000/- (Rupees Ten Thousand only) each.

As at March 2025

Shares held by Promoters at the end of the year			
Promoter Name	No. of Shares held	% of Total shares	% Change during the year
Equity Shares (of Rs. 10,000 each)			
Karad Projects and Motors Limited	41,700	100	100
Sub Total	41,700		

As at March 2024

Shares held by Promoters at the end of the year			
Promoter Name	No. of Shares held	% of Total shares	% Change during the year
Equity Shares (of Rs. 10,000 each)			
Kirloskar Brothers Limited	34,200	100	28.09
Sub Total	34,200		
Preference Shares (of Re. 1 each)			
Kirloskar Brothers Limited	7,50,00,000	100	-50.00
Sub Total	7,50,00,000		



Note 13: Other Equity

(Amounts in Thousand Rupees)

Particulars	As at 31 March 2025	As at 31 March 2024
(a) 6% Non-Cumulative Convertible Preference Shares		
Opening Balance	75,000.00	1,50,000.00
Less: Preference Shares Converted into equity shares during the year	(75,000.00)	(75,000.00)
Closing Balance	-	75,000.00
(b) Securities premium		
Opening balance	2,523.56	2,523.56
Add: Securities premium credited on shares issue	-	-
Closing Balance	2,523.56	2,523.56
(c) Capital Reserve - (Forfeited Shares)		
Opening Balance	1.56	1.56
Add: Transfer from any surplus	-	-
Closing Balance	1.56	1.56
(d) General reserves		
Opening balance	7,827.80	7,827.80
Add: Transfer from any surplus	-	-
Closing Balance	7,827.80	7,827.80
(e) Retained Earnings		
Opening balance	(12,65,992.99)	(10,23,155.13)
Add: Total comprehensive income for the year	(1,97,822.28)	(2,42,837.86)
Balance available for appropriation	(14,63,815.27)	(12,65,992.99)
Sub Total	(14,63,815.27)	(12,65,992.99)
Closing balance	(14,53,462.35)	(11,80,640.07)

Nature and purpose of Other Reserves:

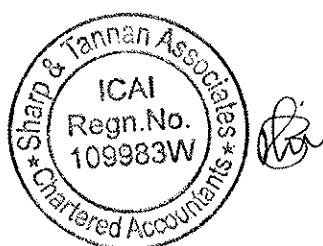
- 1) Securities Premium: Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.
- 2) General Reserves: General Reserves are the retained earnings of the Company which are kept aside out of company's profits to meet future (known/unknown) obligations. The reserve is utilised in accordance with the provisions of the Act.

3) 6% Non-Cumulative convertible Preference Share Capital

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised		
10,00,00,000 (15,00,00,000) 6% Non-Cumulative convertible Preference Share Capital of Re 1 each	1,00,000.00	1,50,000.00
Issued, subscribed & fully paid up		
Nil (7,50,00,000) 6% Non-Cumulative convertible Preference Share Capital of Re 1 each	-	7,50,000.00

a) Terms/ rights attached to Preference Shares

- 1) 6% Non-Cumulative Convertible Preference shares: Company has issued 6% non-cumulative convertible preference shares of Re. 1 each. The same is convertible into equity shares of equal amount, as the company deems fit after six months and within 3 years from the date of allotment. During the year, the due date for conversion of the preference shares was extended upto September 30, 2024 with the approval of the Board and consent of the shareholder.
- 2) In the event of liquidation of the company, the holders of preference shares will be entitled to receive remaining assets of the company before distributing any amount to equity share holders.



The Kolhapur Steel Limited
Notes to Accounts

Note 13: Other Equity Cont..

b) Reconciliation of Preference share capital (Amounts in Thousand Rupees)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	7,50,00,000	75,000.00	15,00,00,000	1,50,000.00
Preference Shares Converted into equity shares during the year	(7,50,00,000)	(75,000.00)	(7,50,00,000)	(75,000.00)
Shares outstanding at the end of the year	-	-	7,50,00,000	75,000.00

c) Details of shareholder holding more than 5% shares

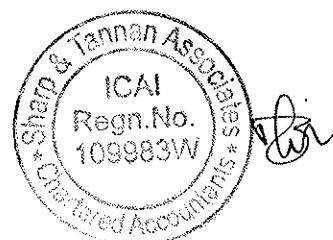
Name	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Limited	-	0	7,50,00,000	100

d) Shares Held by Ultimate Holding Company

Name	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Limited	-	0	7,50,00,000	100

Note 14 : Financial Liabilities: Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Secured		
Working capital Term loan from banks	30,000.00	50,000.00
Terms of Loan		
i) Secured against hypothecation of Current Assets of the Company, Exclusive charge on All Fixed Assets(moveable and immovable) and corporate guarantee by Holding		
ii) Loan carries interest @ Repo Rate + 3.75%		
iii) To be repaid in 10 Equal Quarterly instalments of Rs 5,000 Thousand starting from June 2024.		
Less- Current maturities of non current borrowings disclosed under this head	20,000.00	20,000.00
	10,000.00	30,000.00
Secured		
Term loan from banks	50,522.73	66,068.18
Terms of Loan		
i) Secured against hypothecation of immovable property and corporate guarantee by Holding		
ii) Loan carries interest @ I-MCLR(1Y) + 2.15%		
iii) To be repaid in 22 Quarterly instalments of Rs 3,886.36 Thousand starting from March 2023.		
Less- Current maturities of non current borrowings disclosed under this head Separately	15,545.45	15,545.45
	34,977.28	50,522.73

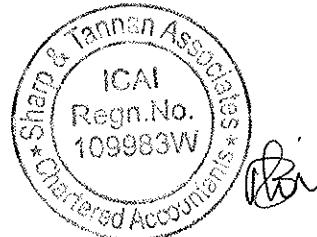


The Kolhapur Steel Limited
Notes to Accounts

Note 14 : Financial Liabilities: Borrowings- Cont...

(Amounts in Thousand Rupees)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured		
1) Loan from Ultimate Holding Company -Kiroskar Brothers Limited	31,527.77	81,527.77
i) Loan from Ultimate Holding Company carries interest @ 8.50% and payment on quarterly basis.		
ii) To be repaid after 3 years in 36 equal monthly instalments, starting from end of moratorium period for each disbursement separately. Lender has right to ask for pre-payment by giving 90 days prior notice to the borrower.		
Less- Current maturities of non current borrowings disclosed under this head Separately	31,527.77	50,000.00
Sub total	-	31,527.77
Total Non current borrowings	44,977.28	1,12,050.50
Current		
Loans repayable on demand from bank		
Working capital demand loans	16,289.08	17,156.93
i) Loan carries interest @MCLR+1.75%.		
ii) Secured against hypothecation of stock & receivables and mortgage of plant & mach		
Current maturities of long term loan	67,073.22	85,545.45
Unsecured		
1) Loan from Holding Company	3,00,000.00	25,000.00
i) Loan from Holding Company carries interest @ 9.50% and payable within one year.		
2) Interest Free Loan from Ultimate Holding Company as per order of BIFR	9,414.02	9,514.02
Total current borrowings	3,92,776.32	1,37,216.40
There has been no continuing default on the balance sheet date in repayment of any of the above borrowings & interest thereon.		
Quarterly returns or statements of current assets filed with bank are in agreement with the books of accounts.		
The Company has utilised loans for the specific purpose for which same are availed.		
Total Borrowings	4,37,753.60	2,49,266.90



The Kolhapur Steel Limited
Notes to Accounts

(Amounts in Thousand Rupees)

Note 15: Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Non Current		
(a) Lease Liability	1,114.79	1,377.88
Total other financial liabilities - Non Current	1,114.79	1,377.88
Current		
(a) Lease Liability Payable within one year	263.10	239.11
Total other financial liabilities - Current	263.10	239.11
(b) Others		
Trade deposits	29.00	25.00
Salary & Reimbursements	11,211.99	9,377.50
Payables on account of purchases of fixed assets	-	1,769.58
Sundry Creditors others	2,187.60	1,841.66
Provision for expenses*	26,508.34	17,771.99
	39,936.93	30,785.73
Total Other financial liabilities - Current	40,200.03	31,024.84
Total Other financial liabilities	41,314.82	32,402.72

* includes amounts payable to directors Rs 246.27

Terms and conditions of the above financial liabilities:

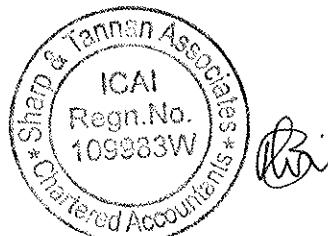
- 1) Other payables are non-interest bearing and have an average term of one month
- 2) For explanations on the Group's credit risk management processes. (Refer Note 37)

Note 16 : Financial Liabilities: Trade payables -

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
Dues of Micro and Small Enterprises (refer note 39)		
Related Parties	-	-
Others	10,882.36	42,985.46
10,882.36	42,985.46	
Dues of other than Micro and Small Enterprises		
Related Parties	8,36,817.44	7,05,731.59
Others	18,640.11	57,837.41
	8,55,457.55	7,63,569.00
Total Trade payable	8,66,339.91	8,06,554.46

Terms and conditions of the above financial liabilities:

- 1) Trade payables are non-interest bearing and are normally settled on 45-60 day terms
- 2) For explanations on the Group's credit risk management processes. (refer note 37)
- 3) Unbilled dues as on 31st March 2025 is Rs. 1,380.02 Thousand (Previous Year Rs 1,439.19 Thousand)



The Kolhapur Steel Limited
Notes to Accounts

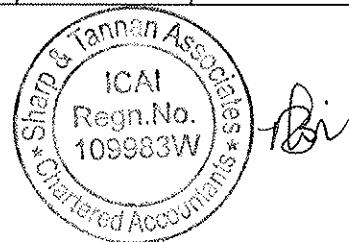
(Amounts in Thousand Rupees)

Note 17: Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Provision for employee benefits		
Compensated absences (refer note 35)	2,721.12	2,889.44
Gratuity (refer note 33)	20,116.48	25,632.52
	22,837.60	28,521.96
	22,837.60	28,521.96
Current		
Provision for employee benefits		
Compensated absences (refer note 35)	3,781.91	3,661.34
Gratuity (refer note 33)	4,096.01	6,809.96
	7,877.92	10,471.30
Other provision (refer note 35)		
Provision for product warranty	2,366.19	492.91
	2,366.19	492.91
	10,244.11	10,964.21
Total Provisions	33,081.71	39,486.17

Note 18: Other Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Non current		
Advance against sale of land (Refer Note 11)	1,37,000.00	1,37,000.00
Total Other non current liabilities	1,37,000.00	1,37,000.00
Current		
(a) Advance from customer		
- Related Parties	62,697.02	39,153.67
- Others	2,460.28	4,790.30
(b) Contribution to PF and others	809.63	1,000.04
(c) Statutory dues	25,579.81	91,358.74
	91,546.74	1,36,302.75
Total Other current liabilities	91,546.74	1,36,302.75

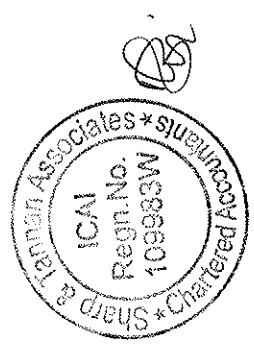


Note 16 : Financial Liabilities: Trade payables - Cont....

(Amounts in Thousand Rupees)

Disclosure requirement for Current Trade payables

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less Than 1 year	1-2 Years	2-3 Years	More than 3 years	
As at March 2025						
MSME	10,882.36	-	-	-	-	10,882.36
Others (external parties)	10,253.03	7,497.58	284.48	165.40	438.62	18,639.11
Others (related parties)	43,113.53	1,29,792.25	3,22,663.43	1,74,238.65	1,67,009.58	8,36,817.44
Disputed Dues – MSME	-	-	-	-	-	-
Dispute Dues - Others	-	-	-	-	-	-
Total	64,248.92	1,37,289.83	3,22,947.91	1,74,404.05	1,67,448.20	8,66,338.91
As at March 2024						
MSME	6,883.97	35,648.35	453.14	-	-	42,985.46
Others (external parties)	14,834.71	41,425.91	1,122.10	454.69	-	57,837.41
Others (related parties)	25,320.62	3,25,480.85	1,80,284.39	1,17,488.34	57,157.39	7,05,731.59
Disputed Dues – MSME	-	-	-	-	-	-
Dispute Dues - Others	-	-	-	-	-	-
Total	47,039.30	4,02,555.11	1,81,859.63	1,17,943.03	57,157.39	8,06,554.46



The Kolhapur Steel Limited
Notes to Accounts

(Amounts in Thousand Rupees)

Note 19 : Income tax

(1) The major components of income tax expense for the period ended 31 March 2025 and 31 March 2024 are:

(a) Profit or loss

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of income tax of previous years		
Deferred tax:		
Relating to origination and reversal of temporary differences	(632.15)	13,265.95
Income tax expense reported in the statement of profit or loss	(632.15)	13,265.95

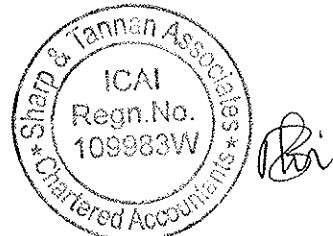
(b) Other Comprehensive Income

Current tax related to items recognised in OCI during the year:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Income tax charged to OCI	286.87	41.12

(2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2025 and 31 March 2024:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit/(loss) before tax	(1,96,337.18)	(2,55,981.55)
At India's statutory income tax rate of 25.168% (PY@ 25.168%) (a)	(49,414.14)	(64,425.44)
Adjustments		
Add: Exempt income		
Dividend		
Subtotal (b)	-	-
Add: Accelerated deduction		
Allowance of TDS on payment basis		
Subtotal (c)	-	-
Less : Non deductible expenses		
Penalties and fines	-	-
Provision for Advances	-	-
Donation	-	-
Subtotal (d)	-	-
Sub total (e) = (b+c-d)	-	-
Tax impact of above adjustments	-	-
Rate difference on opening DTA/ DTL		
C/f losses on which DTA was not recognised	(48,781.99)	(77,691.38)
Total (f)	(48,781.99)	(77,691.38)
Tax expenses at effective rate (a-f)	(632.15)	13,265.95
Tax expenses recorded in books	(632.15)	13,265.95



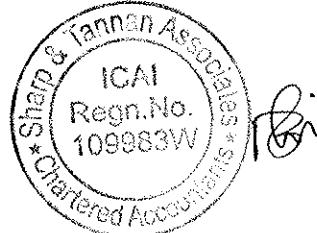
The Kolhapur Steel Limited
Notes to Accounts

(Amounts in Thousand Rupees)

Note 19 : Income tax

(3) Movement in deferred tax

(a)	Deferred tax relates to the following: (DTL)/DTA	Year ended 31 March 2025	Year ended 31 March 2024
Property, plant and equipment, Right of use and Intangible Assets	(5,980.34)	(6,159.89)	
Employee benefits - compensated absences	1,636.68	9,813.82	
Provision for doubtful debts and advances	3,921.07	721.32	
Employee benefits - Gratuity	6,093.80		
Employee benefits - Bonus & GST Interest payable	5,677.32	4,505.22	
Lease Liabilities	346.79	406.96	
Deferred Borrowing Cost	(88.43)	-	
Ind As borrowing cost	(44.22)	(44.22)	
Trade payables MSME and VRS	6,307.25	8,971.99	
Net deferred tax (liabilities)/ assets	17,869.92	18,215.20	
(b)	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Property, plant and equipment (Depreciation)	179.55	(45.24)	
Employee benefits - compensated absences	(8,177.14)	8,339.72	
Provision for doubtful debts and advances	3,199.75	(81.91)	
Employee benefits - Gratuity	6,093.80	(7,805.97)	
Employee benefits - Bonus & GST Interest payable	1,172.10	3,806.31	
Lease Liabilities	(60.17)	(54.70)	
Deferred Borrowing Cost	(88.43)	176.87	
Ind As borrowing cost	0.00		
Expenses Disallowed	(2,664.74)	8,971.99	
Deferred tax (expense)/income including OCI Impact	(345.28)	13,307.07	
(b)	Reflected in balance sheet as	As at 31 March 2025	As at 31 March 2024
Deferred tax asset	17,869.92	18,215.20	
Deferred tax liability	-	-	
Net Deferred tax asset	17,869.92	18,215.20	
Net Deferred tax asset	17,869.92	18,215.20	



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The Kolhapur Steel Limited
Notes to Accounts

(Amounts in Thousand Rupees)

Note 20: Revenue from Operations

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from Contracts with Customers:		
(a) Sale of products	2,49,287.23	4,93,287.68
(b) Sale of services	4,983.10	11,678.65
(c) Sales of Patterns	8,556.10	4,830.28
(d) Other operating revenues		
Sales of Scrap	9,934.07	23,756.39
Others	2,609.91	380.80
Export Incentive	357.12	536.67
	12,901.10	24,673.86
Total Revenue from Operations	2,75,727.53	5,34,470.47

Additional disclosures as required by IND AS 115 revenue from contracts with customers

A: Disaggregation of revenue from sale of products / services

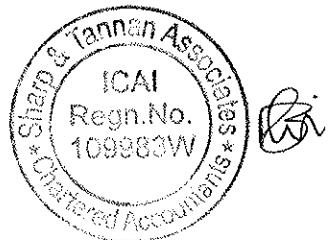
Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a) Within India	2,67,762.79	4,94,121.48
b) Outside India	7,964.74	40,348.99
Total	2,75,727.53	5,34,470.47

B: Reconciliation of revenue from sale of products / services with the contracted price

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Contracted price	2,76,259.11	5,37,667.48
Less - Trade discounts, volume rebates, late delivery charges etc	531.58	3,197.01
Total	2,75,727.53	5,34,470.47

Note 21: Other Income

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Interest Income on financial assets at amortised cost		
From Bank	126.00	8.63
From Others	81.36	166.38
	207.36	175.01
(b) Foreign exchange difference (net)	341.24	520.73
(c) Other non-operating income		
Excess provision written back	4.65	634.44
Miscellaneous receipt	1,177.24	259.20
Profit on Sale of Assets	2.50	1,230.49
Weighing scale receipts	1,549.30	1,402.12
	2,733.69	3,526.25
Total Other Income	3,282.29	4,221.99



The Kolhapur Steel Limited
Notes to Accounts

Note 22: Cost of materials consumed

(Amounts in Thousand Rupees)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Raw materials consumed	1,55,012.63	2,99,820.88
(b) Purchases of Stock-in-Trade	6,104.30	4,178.00

Note 23: Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

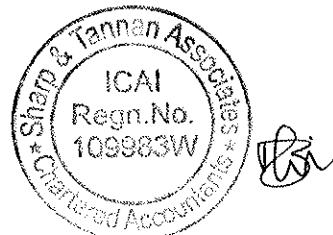
Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening Stock		
Finished goods	4,513.51	20,597.00
Work-in- progress	39,881.19	67,138.49
Stock in trade	6,634.17	9,676.67
	51,028.87	97,412.16
Closing Stock		
Finished goods	2,514.93	4,513.51
Work-in- progress	93,986.43	39,881.19
Stock in trade	4,792.17	6,634.17
	1,01,293.53	51,028.87
Total Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(50,264.66)	46,383.29

Note 24: Employee benefits expense

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Salaries, wages and bonus	81,452.45	90,606.24
(b) Defined contribution plans		
Contribution to provident fund and E.S.I	5,172.93	5,650.13
(c) Defined benefit plans		
Gratuity	1,827.35	1,851.60
(d) Welfare expenses	3,297.61	4,007.55
Total Employee benefits expense	91,750.34	1,02,115.52

Note 25: Finance costs

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Interest expense (calculated using effective rate of interest)	45,241.70	57,465.74
Other borrowing costs		
(b) (includes bank guarantee commission, LC charges, loan processing charges)	1,706.26	1,830.45
(c) Interest Exp-Lease Liability	144.89	166.70
(d) Net interest expenses on defined benefit obligation	1,865.60	2,192.28
Total Finance costs	48,958.45	61,655.17



The Kolhapur Steel Limited
Notes to Accounts

Note 26: Depreciation and amortization expense

(Amounts in Thousand Rupees)

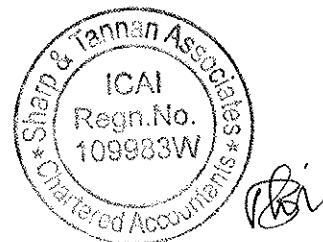
Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Depreciation on property, plant and equipment	14,718.76	14,529.57
(b) Amortization of intangible assets	180.43	185.75
(c) Depreciation on investment property	-	53.21
(d) Depreciation on Right of Use assets	278.70	278.83
Total Depreciation and amortization expense	15,177.89	15,047.36

Note 27: Other expenses

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Stores and spares consumed	36,679.21	65,804.20
Processing charges	41,797.29	81,388.28
Power & fuel	62,510.24	87,946.83
Repairs and maintenance		
Plant and machinery	2,900.84	5,447.86
Buildings	394.54	1,395.95
Other	88.42	167.42
Rent, Rates and taxes	16,596.13	1,581.03
Travel and conveyance	1,139.43	1,149.15
Insurance	684.64	778.83
Directors' sitting fees	240.00	395.00
Freight and forwarding charges	1,377.53	1,620.39
Brokerage and commission	214.79	213.68
Provision for product warranty	2,275.99	2,510.16
Provision for doubtful debts, advances and claims	11,790.08	-
Bad debts written off	18.95	566.01
Auditor's remuneration (refer note 31)	667.03	549.70
Professional, consultancy and legal expenses	2,927.10	4,815.73
Security services	4,578.61	4,643.62
Foreign exchange difference (net)	121.31	-
Assets Written off	-	153.99
Other miscellaneous expenses	3,883.12	4,345.96
Total Other expenses	1,90,885.25	2,65,473.79

Note 28: Other Comprehensive Income

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Items that will not be reclassified to profit or loss		
Remeasurements gains and losses on post employments benefits	(1,139.82)	(163.38)
Tax on remeasurements gains and losses	286.87	41.12
Net Other Comprehensive Income	(852.95)	(122.26)



The Kolhapur Steel Limited
Notes to Accounts:

(Amounts in Thousand Rupees)

Note 29: Contingent liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Claims against the company not acknowledged as debt		
i) Disputed excise duty dues (Matter Subjudice) (Against these demands, an amount of Rs. 542.21 thousand (Previous year Rs.542.21 thousand) has been paid under protest.) The Company has filed Appeal in Tribunal Mumbai for CENVAT credit on scrap sales	1,092.47	1,092.47
ii) Goods and Service Tax The Company has filed appeal filed before commissioner of central tax and amount paid under protest Rs 83.59 thousand	3,911.02	-
(b) Other money for which the company is contingently liable Disputed matters under labour law (One case is pending in Kolhapur Security Guard Board, Kolhapur) (Seven labour cases in Previous year)	350.00	1,406.00
	5,353.49	2,498.47

Note 30: Capital Commitments

Particulars	As at 31 March 2025	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,664.69	-

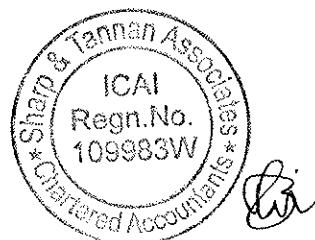
Note 31: Remuneration to Auditors

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Statutory Auditors :		
a) Audit Fees	400.00	400.00
b) Tax Audit Fees	50.00	50.00
c) Limited Review	100.00	-
d) Other services	60.00	79.00
e) Expenses reimbursed	57.03	20.70
	667.03	549.70

Note 32: Earning per Share (Basic and diluted)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
I - Basic and Diluted		
a) Profit for the year before tax Less : Attributable Tax thereto Profit after Tax	(1,96,337.18) (632.15) (1,96,969.33)	(2,55,981.55) 13,265.95 (2,42,715.60)
b) Weighted average number of equity shares used as denominator	37,950	34,200
c) Weighted average number of Diluted equity shares used as denominator	41,700	41,700
d) Basic earning Rupees per share of nominal value of Re 10,000/- each (Previous Year Re. 10,000/- each)	(5,190.23)	(7,096.95)
e) Diluted earning Rupees per share of nominal value of Re 10,000/- each (Previous Year Re. 10,000/- each)*	(5,190.23)	(7,096.95)

*As the Company has incurred loss during the year, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.



The Kolhapur Steel Limited

Notes to Accounts:

(Amounts in Thousand Rupees)

Note 33: Employee Benefits

i **Defined Contribution Plans:**

Amount of Rs. 5,172.93 thousand (Previous year Rs.5,650.13 thousand) is recognised as an expense and included in "Employees benefits expense" (Note-24) in the Profit and Loss Statement.

ii **Defined Benefit Plans:**

a) The amounts recognised in Balance Sheet are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
	Gratuity Plan	Gratuity Plan
	(Non Funded)	(Non Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	24,212.49	32,442.49
Less: Fair Value of Plan Assets	-	-
Amount to be recognised as liability or (asset)	24,212.49	32,442.49
B. Amounts reflected in the Balance Sheet		
Liabilities	24,212.49	32,442.49
Assets		
Net Liability/(Assets)	24,212.49	32,442.49

b) The amounts recognised in the Profit and Loss Statement are as follows:

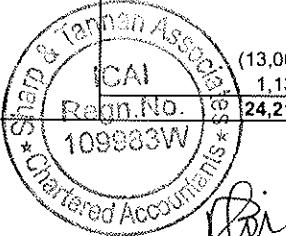
Particulars	Year ended	Year ended
	31 March 2025	31 March 2024
	Gratuity Plan	Gratuity Plan
(Non Funded)	(Non Funded)	
1 Current Service Cost	1,827.35	1,851.60
2 Acquisition (Gain)/ loss	-	-
3 Past Service Cost	-	-
4 Net Interest (income)/expenses	1,865.60	2,192.28
5 Actuarial Losses/(Gains)		-
6 Curtailment (Gain)/ loss	-	-
7 Settlement (Gain)/loss	-	-
Net periodic benefit cost recognised in the statement of profit & loss	3,692.95	4,043.88

c) The amounts recognised in the statement of other comprehensive income (OCI)

Particulars	2024-25	2023-24
	Gratuity Plan	Gratuity Plan
	(Non Funded)	(Non Funded)
1 Opening amount recognised in OCI outside profit and loss account	-	-
2 Remeasurements for the year - Obligation (Gain)/loss	1,139.82	163.38
3 Remeasurement for the year - Plan assets (Gain) / Loss		-
4 Total Remeasurements Cost / (Credit) for the year recognised in	1,139.82	163.38
5 Less: Accumulated balances transferred to retained earnings	1,139.82	163.38
Closing balances (remeasurement (Gain)/loss recognised OCI	-	-

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
	Gratuity Plan	Gratuity Plan
	(Non Funded)	(Non Funded)
1 Balance of the present value of obligation as at beginning of the period	32,442.49	31,015.48
2 Acquisition adjustment	-	-
3 Transfer in/ out)	-	-
4 Interest expenses	1,865.60	2,192.28
5 Past Service Cost	-	-
6 Current Service Cost	1,827.35	1,851.60
7 Curtailment Cost / (credit)	-	-
8 Settlement Cost/ (credit)	-	-
9 Benefits paid	(13,062.78)	(2,780.25)
10 Remeasurements on obligation - (Gain) / Loss	1,139.82	163.38
Present value of obligation as at the end of the period	24,212.49	32,442.49



The Kolhapur Steel Limited

Notes to Accounts:

(Amounts in Thousand Rupees)

Note 33: Employee Benefits (Cont.)

e) Net interest (income) /expenses

Particulars	2024-25	2023-24
	Gratuity Plan (Non Funded)	Gratuity Plan (Non Funded)
1 Interest (Income) / Expense – Obligation	1,865.60	2,192.28
2 Interest (Income) / Expense – Plan assets	-	-
3 Net Interest (Income) / Expense for the year	1,865.60	2,192.28

f) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

- 1 Discount rate as at 31-03-2025 - 6.60% (as at 31-03-2024 - 7.20%)
- 2 Salary growth rate : For Gratuity Scheme - Workers @5% and staff @8% (as at 31-03-2024 -Workers @5% and staff @8%)
- 3 Attrition rate: For gratuity scheme the attrition rate is taken at 8% (as at 31-03-2024 - 8%)

The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market and the past history regarding salary increase.

g) The amounts pertaining to defined benefit plans are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
	Gratuity Plan (Non Funded)	Gratuity Plan (Non Funded)
Defined Benefit Obligation	24,212.49	32,442.49
Plan Assets	-	-
Surplus/(Deficit)	(24,212.49)	(32,442.49)

h) General descriptions of defined plans:

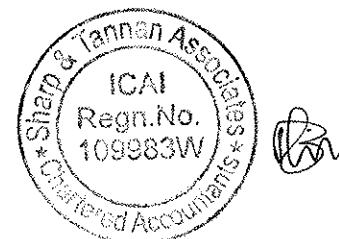
Gratuity Plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

i) Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

Effect on gratuity obligation			
Change in assumption	As at 31 March 2025	Change in assumption	As at 31 March 2024
1 Discount rate (6.6%)		Discount rate (7.2%)	
Increase by 1%	22,999.23	Increase by 1%	31,071.29
Decrease by 1%	25,545.49	Decrease by 1%	33,939.62
2 Salary increase rate (staff-8% and Workers-5%)		Salary increase rate (staff 8% and Workers 5%)	
Increase by 1%	25,317.65	Increase by 1%	33,652.87
Decrease by 1%	23,184.98	Decrease by 1%	31,312.35
3 Withdrawal rate (8%)		Withdrawal rate (8%)	
Increase by 1%	24,279.26	Increase by 1%	32,550.59
Decrease by 1%	24,141.47	Decrease by 1%	32,327.08



The Kolhapur Steel Limited
Notes to Accounts:

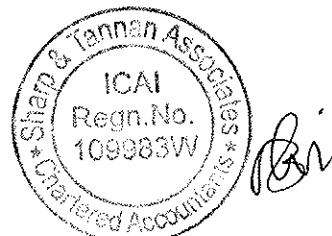
Note 34: Related Party Disclosures

(A) Names of the related party and nature of relationship where control (including common control) exists and transactions entered into:

Sr. No.	Name of the related party	Nature of relationship
1	Kirloskar Brothers Limited	Ultimate Holding Company
2	Karad Projects and Motors Limited	Holding Company
3	Kirloskar Corrocoat Private Limited	Fellow Subsidiary
4	Kirloskar Brothers International B V	Fellow Subsidiary
5	SPP Pumps Limited U.K.	Subsidiary of Fellow Subsidiary
6	Kirloskar Brothers(Thailand) Limited	Subsidiary of Fellow Subsidiary
7	SPP Pumps (MENA) L.L.C.	Subsidiary of Fellow Subsidiary
8	Kirloskar Pompen B.V	Subsidiary of Fellow Subsidiary
9	Micawber 784 Proprietary Limited	Subsidiary of Fellow Subsidiary
10	SPP Pumps International Proprietary Limited, South Africa (formerly a.k.a. Kirloskar Brothers International Pty. Ltd (South Africa)	Subsidiary of Fellow Subsidiary
11	SPP Pumps S A S	Subsidiary of Fellow Subsidiary
12	SPP Pumps Inc	Subsidiary of Fellow Subsidiary
13	SPP Pumps South Africa Proprietary Limited	Subsidiary of Fellow Subsidiary
14	Braybar Pumps (Proprietary)Ltd.	Subsidiary of Fellow Subsidiary
15	Rodelta Pumps International BV	Subsidiary of Fellow Subsidiary
16	Rotaserve B.V. – Netherlands	Subsidiary of Fellow Subsidiary
17	SPP Pumps Real Estate LLC	Subsidiary of Fellow Subsidiary
18	SyncroFlo Inc.	Subsidiary of Fellow Subsidiary
19	SPP Pumps (Asia)Ltd.(Thailand)	Subsidiary of Fellow Subsidiary
20	SPP Pumps (Singapore) Ltd	Subsidiary of Fellow Subsidiary
21	Rotaserve Limited	Subsidiary of Fellow Subsidiary
22	Rotaserve Mozambique	Subsidiary of Fellow Subsidiary
23	Kirloskar Ebara Pumps Limited	Joint venture of Ultimate Holding Company
24	Sunsure Solarpark Nineteen Private Limited	Associate of Ultimate Holding Company

(B) Names of Key Management Personnel

1	Rajkumar Assudani	Managing Director
2	Ravindra Samant	Director
3	Ravish Mittal	Director (Up to 28-02-2025)
4	Achyut Dhadphale	Independent Director
5	K.Taranath	Independent Director
6	Suresh Deshpande	Independent Director
7	Rudrappa Mahajan	Independent Director
8	Gaurav Deshmukh	Company Secretary
9	Avinash Yadav	Chief Financial Officer (Up to 24-12-2024) [refer note 46(d)]
10	Ananta Das	Chief Financial Officer (w.e.f. 21-04-2025) [refer note 46(d)]



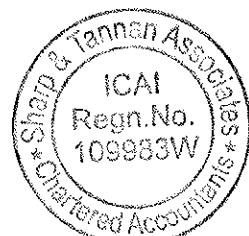
The Kolhapur Steel Limited
Notes to Accounts:

(Amounts in Thousand Rupees)

Note 34: Related Party Disclosures (Cont.)

(C) Disclosure of related parties transactions

Sr. No.	Nature of transaction/relationship/major parties	2024-25		2023-24	
		Amount	Amount for Major parties *	Amount	Amount for Major parties *
1	Purchase of goods & services Ultimate Holding Company - Kirloskar Brothers Limited others Joint Venture of Ultimate Holding Company- Kirloskar Ebara Pumps Limited Ultimate Holding company - Kirloskar Brothers Limited Services	1,27,314.57		2,22,186.12	2,19,960.71
			1,24,630.58		
			273.58		
			2,410.41		2,225.41
2	Sale of goods/contract revenue & services Ultimate Holding company - Kirloskar Brothers Limited - Goods Ultimate Holding company - Kirloskar Brothers Limited - Services Joint Venture of Ultimate Holding Company- Kirloskar Ebara Pumps Limited	1,06,873.82		2,26,924.00	1,73,023.25
			97,486.15		
			463.50		2,076.32
			8,924.17		51,824.43
3	Finance Cost Ultimate Holding company - Kirloskar Brothers Limited Interest Ultimate Holding company - Kirloskar Brothers Limited Interest on Bill Discounting Joint Venture of Ultimate Holding Company- Kirloskar Ebara Pumps Limited- Bill Discounting Holding Company- Karad Projects and Motors Limited Interest	24,369.95		20,409.63	9,586.11
			5,336.11		
			-		1,122.24
			-		1,030.26
			19,033.84		8,671.02
4	Loan Holding Company- Karad Projects and Motors Limited - Loan Received Holding Company- Karad Projects and Motors Limited - Loan Repayment Ultimate Holding company - Kirloskar Brothers Limited- Loan Repayment	3,75,100.00		1,85,100.00	-
			3,00,000.00		
			25,000.00		1,35,000.00
			50,100.00		50,100.00
5	Investment in Equity Shares Sunsure Solarpark Nineteen Private Limited- Associate of Ultimate Holding Company	9,018.77		-	-
			9,018.77		



The Kolhapur Steel Limited

Notes to Accounts:

(Amounts in Thousand Rupees)

Note 34: Related Party Disclosures (Cont.)

(C) Disclosure of related parties transactions

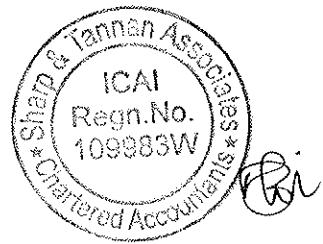
Sr. No.	Nature of transaction/relationship/major parties	2024-25		2023-24	
		Amount	Amount for Major parties *	Amount	Amount for Major parties *
6	Key Management Personnel				
i)	Directors Sitting fees	240.00	82.50	360.00	120.00
	Mr. Achyut Dhadphale		52.50		115.00
	Mr. K. Taranath		67.50		87.50
	Mr. Suresh Deshpande		37.50		37.50
ii)	Managerial Remuneration				
	a) Mr. Rajkumar Assudani - MD	4,870.50	4,352.11	2,901.41	2,901.41
	Short term employee benefits		411.66		-
	Post employment benefits		106.73		-
	Other long term employee benefit				
	b) Avinash Yadav- CFO	1,131.67	1,101.95	368.12	368.12
	Short term employee benefits		29.72		-
	Post employment benefits				
	Other long term employee benefit				

* Major parties denote entities who account for 10% or more of the aggregate for that category of transaction

Terms and conditions of transactions with related parties - The sales to and purchase from related parties are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash.

(D) Amount due to/from related parties

Sr No	Nature of transaction/relationship/major parties	As at 31 March 2025		As at 31 March 2024	
		Amount	Amount for Major parties	Amount	Amount for Major parties
1	Unsecured Loan payable				
	Ultimate Holding company - Kirloskar Brothers Limited (Interest free)	9,414.02	9,414.02	9,514.02	9,514.02
	Ultimate Holding company - Kirloskar Brothers Limited	31,527.77	31,527.77	81,527.77	81,527.77
	Holding Company- Karad Projects and Motors Limited	3,00,000.00	3,00,000.00	25,000.00	25,000.00
2	Trade Receivable				
	Ultimate Holding company - Kirloskar Brothers Limited	6,811.13	6,811.13	9,774.19	9,774.19
	Joint Venture of Ultimate Holding Company- Kirloskar Ebara Pumps Limited	2,829.77	2,829.77	-	-
3	Advance Received				
	Ultimate Holding company - Kirloskar Brothers Limited	1,99,697.02	1,99,697.02	1,76,153.67	1,76,153.67
	Joint Venture of Ultimate Holding Company- Kirloskar Ebara Pumps Limited	-	-	1,520.49	1,520.49
4	Trade Payable				
	Ultimate Holding company - Kirloskar Brothers Limited	8,36,491.39	8,36,491.39	7,00,426.34	7,00,426.34
	Holding Company- Karad Projects and Motors Limited	-	-	5,082.12	5,082.12
	Joint Venture of Ultimate Holding Company- Kirloskar Ebara Pumps Limited	326.05	326.05	223.13	223.13
5	Remuneration Payable				
	Mr. Rajkumar Assudani- Managing Director	291.02	291.02	246.27	246.27
	Mr. Avinash Yadav- CFO	-	-	117.66	117.66



The Kolhapur Steel Limited

Notes to Accounts:

(Amounts in Thousand Rupees)

Note 35: Details of provisions and movements in each class of provisions.

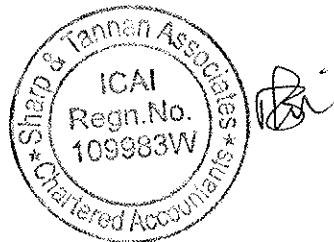
Particulars	Compensated Absences	Product Warranty
Carrying amount as at 1 April 2023	5,857.02	661.64
Add: Provision during the year 2023-24	1,152.27	2,047.60
Add: Unwinding of discounts	-	-
Less: Amount utilised during the year 2023-24	458.51	2,216.34
Less: Amount reversed during the year 2023-24	-	-
Carrying amount as at 31 March 2024	6,550.78	492.90
Add: Provision during the year 2024-25	1,145.36	2,275.99
Add: Unwinding of discounts	-	-
Less: Amount utilised during the year 2024-25	1,193.11	402.70
Less: Amount reversed during the year 2024-25	-	-
Carrying amount as at 31 March 2025	6,503.03	2,366.19

Compensated absences

The cost of the leave encashment and the present value of the leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates.

Provision for warranty

Provision for warranty is made for estimated warranty claims in respect of products sold, which are under warranty at the end of the reporting period. These claims are expected to be settled as per schedule of warranty i.e. upto 18 months. Management records the provision based on the historical warranty claims information and any recent trends that may suggest future claims could differ historical amount.



The Kolhapur Steel Limited
Notes to Accounts:

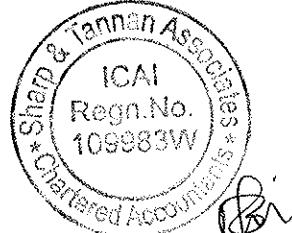
(Amounts in Thousand Rupees)

Note 36: Fair Value of financial assets and liabilities

As per assessments made by the management fair values of all financial instruments carried at amortised costs (except as specified below) are not materially different from their carrying amounts since they are either short term nature or the interest rates applicable are equal to the current market rate of interest.

The Company has not performed a fair valuation of its investment in unquoted ordinary shares which are classified as FVTOCI (refer Note 4), as the Company believes that impact of change on account of fair value is insignificant.

Sr.No	Particulars	Carrying value	
		As at 31 March 2025	As at 31 March 2024
a)	Financial Assets Carried at Fair Value - Level -3 Unquoted Investment	9,018.77	-
b)	Carried at amortised cost - Level -2 Trade receivable Security deposits Other financial assets Cash and cash equivalent Other bank balances	38,656.20 2,026.65 2,461.69 53.63 -	63,478.73 1,264.65 2,511.36 4,204.47 -
		43,198.17	71,459.21
c)	Financial Liabilities Carried at amortised cost- Level -2 Non-current borrowings Current borrowings Current borrowings - Interest free Loan from Ultimate Holding Company Current Maturities of Non-current borrowings Current Borrowings - Unsecured Loans- Holding Company Lease Liability Trade payable Total other financial liabilities	44,977.28 16,289.08 9,414.02 67,073.22 3,00,000.00 1,377.89 8,66,339.91 39,936.93 13,45,408.33	1,12,050.50 17,156.93 9,514.02 85,545.45 25,000.00 1,616.99 8,06,554.46 30,785.73 10,88,224.09



Note 37 : Financial risk management policy and objectives

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. Company's principal financial assets comprises trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

Company is exposed to certain risks which includes market risk, credit risk and liquidity risk.

Risk Management committee of the company oversees the management of these risks. This committee is accountable to audit committee of the board. This process provides assurance to the company's senior management that company's financial risk-taking activities are governed by the appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company's policies and risk appetite.

The policies for managing these risks are summarised below.

1) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Company uses expected credit loss model for assessing and providing for credit risk. Refer note 36a for expected credit loss model analysis.

a) Trade receivable

Customer credit risk is managed through the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit, Bill discounting (without recourse) or other forms of credit insurance. Trade receivables are non interest bearing and are generally on, 30 days to 90. days credit term. The company has no concentration of risk as customer base is widely distributed both economically and geographically. The ageing analysis of trade receivable as on reporting date is as follows

Particulars	Neither past due nor impaired	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 365 days	
As at 31 March 2025	31,725.38	4,073.10	1,357.60	17,079.69	54,235.77
As at 31 March 2024	51,248.47	784.06	3,763.11	10,549.13	66,344.77



The Kolhapur Steel Limited
Notes to Accounts:

(Amounts in Thousand Rupees)

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment company adjust it's exposure to various counterparties. Company's maximum exposure to credit risk for the components of statement of financial position is the carrying amount as disclosed in Note 6 and 9.

2) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet it's present and future cash flow and collateral obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet it's cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost.

The table summarizes the maturity profile of company's financial liabilities based on contractual undiscounted payments

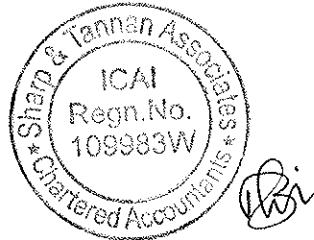
As at 31 March 2025						
Particulars	Carrying amount	On demand	Less than 180 days	181 to 365 days	above 365 days	Total
Interest bearing borrowings	4,28,339.58	16,289.08	2,72,772.73	94,300.49	44,977.28	4,28,339.58
Non Interest bearing borrowings	9,414.02	9,414.02	-	-	-	9,414.02
Other liabilities	41,314.82	-	40,068.48	131.56	1,114.79	41,314.82
Trade and other payable	8,66,339.91	43,567.82	1,33,435.82	2,59,259.36	4,30,076.91	8,66,339.91

As at 31 March 2024						
Particulars	Carrying amount	On demand	Less than 180 days	181 to 365 days	above 365 days	Total
Interest bearing borrowings	2,39,752.88	17,156.93	67,772.72	42,772.73	1,12,050.50	2,39,752.88
Non Interest bearing borrowings	9,514.02	9,514.02	-	-	-	9,514.02
Other liabilities	32,402.72	-	30,905.28	119.56	1,377.88	32,402.72
Trade and other payable	8,06,554.46	47,039.30	4,02,555.11	1,81,859.63	1,75,100.42	8,06,554.46

3) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.



The Kolhapur Steel Limited
Notes to Accounts:

(Amounts in Thousand Rupees)

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

b) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in local currency INR and in different foreign currencies. Company has foreign currency trade receivables, trade payables, advances, deposits and therefore is exposed to foreign exchange risk. The company has not hedged its foreign currency exposure by derivative instruments or otherwise. Below is the sensitivity analysis for the foreign currency risk.

Particulars	Currency	Amount in Foreign Currency		Amount in INR	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial Assets					
Trade Receivables	EUR	122.28	126.38	11,264.34	11,366.51
Less Provision	EUR	122.28		11,264.34	-
Balance	EUR	-	126.38	-	11,366.51
Financial Liabilities					
Trade Payables		-	-	-	-

Currency wise net exposure (Assets-Liabilities)

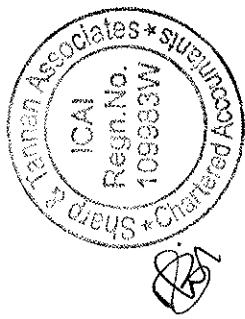
Particulars	Amount in Foreign Currency		Amount in INR	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
EUR	-	126.38	-	11,366.51



Note 37: Impairment of financial assets: Expected credit loss (cont.)

Provision for expected credit loss

Internal rating	Category	Description of category	Basis of recording expected credit loss	
			Loans and deposits	Trade receivables
A	High quality asset, negligible credit risk	Assets where the counter party has strong capacity to meet obligations and where risk is negligible or nil.	12 months expected credit losses	
B	Standard asset, moderate credit risk	Assets where there is moderate risk of default and where there has been low frequency of defaults in past.		Life-time expected credit losses - simplified approach
C	Low quality asset, High credit risk	Assets where there is high probability of default. In general, assets where contractual payments are more than year past due are categorised as low quality asset. Also includes where credit risk of counter party has increased significantly through payments may not be more than a year past due.	Life-time expected credit losses	
D	Doubtful asset- credit impaired	Assets are written off, when there is no reasonable expectations of recovery. Where loans and receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.		Asset is written off

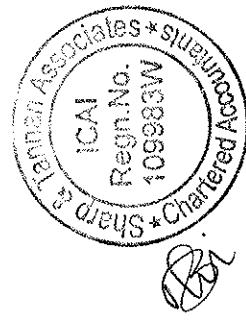


1) Expected credit loss for loans and security deposits

Particulars	Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Financial assets for which credit risk has not increased significantly from inception	Deposit	A	2,026.65	0%	2,026.65
Loss allowance measured at life time expected credit losses	Financial assets for which credit risk has increased significantly and not credit impaired	Nil	-	-	-	-
	Financial assets for which credit risk has increased significantly and credit impaired	Nil	-	-	-	-

2) Expected credit loss for trade receivables under simplified approach

Particulars	Not due	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 366 days	
Gross carrying amount	31,725.38	4,073.10	1,357.60	17,079.69	54,235.76
Expected loss rate	0.00%	0.00%	27.91%	89.00%	28.73%
Expected credit losses (Loss allowance provision)	-	-	378.89	15,200.68	15,579.57
Carrying amount of trade receivable (Net of impairment)	31,725.38	4,073.10	978.71	1,879.01	38,656.19



1) Expected credit loss for loans and security deposits

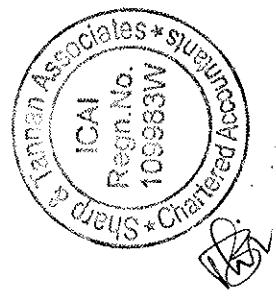
Particulars	Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Financial assets for which credit risk has not increased significantly from inception	Deposit	A	1,264.65	0%	1,264.65
	Financial assets for which credit risk has increased significantly and not credit impaired	NIL				
Loss allowance measured at life time expected credit losses	Financial assets for which credit risk has increased significantly and credit impaired	NIL				

2) Expected credit loss for trade receivables under simplified approach

Particulars	Not due	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 365 days	
Gross carrying amount	51,248.47	784.06	3,763.11	10,549.13	66,344.77
Expected loss rate	-	2.11%	0.00%	2701.20%	4.32%
Expected credit losses (Loss allowance provision)	-	16.51	-	2,849.53	2,866.04
Carrying amount of trade receivable (Net of impairment)	51,248.47	767.55	3,763.11	7,699.60	63,478.73

Reconciliation of loss provision

Particulars	Trade receivables
Loss allowance as at 31 March 2023	3,191.48
Changes in loss allowance	(325.44)
Loss allowance as at 31 March 2024	2,866.04
Changes in loss allowance	12,713.53
Loss allowance as at 31 March 2025	15,579.57



2024

**The Kolhapur Steel Limited
Notes to Accounts:**

Note 38: Capital management

(Amounts in Thousand Rupees)

Note 38: Capital management

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Company's policy is to keep the gearing ratio between 20% and 40%. however, due to adverse scenario in the industry, company is not able to achieve this percentage. Further, company wishes to bring the range between 20% to 40% in the near future. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at 31 March 2025	As at 31 March 2024
Loans and borrowings	4,37,753.60	2,49,266.91
Less: Cash and Bank Balance	53.63	4,204.47
Net debt	4,37,699.97	2,45,062.44
Equity	(10,36,462.35)	(8,38,640.07)
Capital and net debt	(5,98,762.38)	(5,93,577.63)
Gearing %	-73.10%	-41.29%

Note 39 : DISCLOSURE IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES

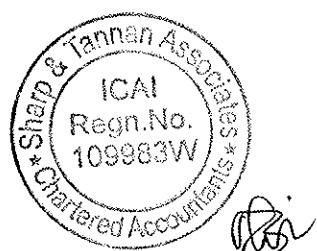
The company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act] as at 31 March 2025. the disclosure pursuant to the said Act is as under

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding amount in respect of micro, small and medium enterprises	10,882.36	42,985.46
Other disclosures in respect of micro and small enterprises		
Principal amount due and remaining unpaid	-	36,101.49
Interest due on above and unpaid	-	1,421.34
Interest paid		
Payment made beyond appointment day	1,17,975.16	1,60,278.20
Interest due and payable for the period of delay	3,815.23	7,478.03
Interest accrued and remaining unpaid (excluding interest accrued for earlier years)	3,815.23	7,478.03
Amount of Further interest remaining due and payable in succeeding years	3,815.23	7,478.03

Note 40 : Segment reporting

Company operates in single segment as business of Steel and Alloy casting. The Executive Management Committee monitors the operating results of entire company as whole for the purpose of making decisions about resource allocation and performance assessment.

Revenues from three customers exceeding 10% of the entity's revenues amounted to Rs. 28,996.66 Thousand, Rs. 97,949.65 Thousand and Rs. 47,934.13 Thousand. These revenues were earned in the single reportable segment.



The Kolhapur Steel Limited

Notes to Accounts:

(Amounts in Thousand Rupees)

Note 41 :

a) Corporate social responsibility expenditures

(a) Amount required to be spent by the Company during the year is Rs. Nil/- (Rs. Nil in F.Y: 2023-24)
(b) Amount spent by the Company during the year is Rs. Nil/- (Rs. NIL in F.Y: 2023-24)

b) Note on Charge Creation

The company has registered all Details of Registration or satisfaction of charge with ROC within the prescribed time from the execution of document.

c) Foreign Exchange Earnings

The FOB Value of Export are Rs. 7,965.00 Thousand (During FY 2023-24 Rs. 30,685.00 Thousand)

d) Transactions with Struck off Companies : (Refer below Table).

As at 31st March 2025

Name of struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
NA	Investments in securities	NIL	NA
NA	Receivables	NIL	NA
NA	Payables	NIL	NA
NA	Shares held by struck off Company	NIL	NA
NA	Other outstanding balances (to be specified)	NIL	NA

As at 31st March 2024

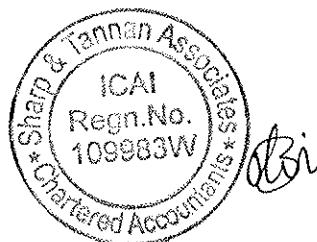
Name of struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
NA	Investments in securities	NIL	NA
NA	Receivables	NIL	NA
NA	Payables	NIL	NA
NA	Shares held by struck off Company	NIL	NA
NA	Other outstanding balances (to be specified)	NIL	NA

e) Wilful Defaulter

The company has not been declared wilful defaulter by any banks/Financial Institutions.

f) Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto Currency or Virtual Currency



Note 41 Continue..

g) Note on Undisclosed Income If any

The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Also none of the previously unrecorded income and related assets have been recorded in the books of account during the year.

h) Disclosure related to reporting under rule 11(e) of the companies (audit and auditors) rules, 2014, as amended.

1) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2) No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

i) Exceptional items

During the financial year the Company has declared a Voluntary Retirement Scheme (VRS). Under this scheme 22 workers opted for voluntary retirement. The total cost of Rs 17,722.80 thousand associated with these retirements has been presented as an exceptional item in the Statement of Profit and Loss.

Note 42: Disclosure related to Audit Trail.

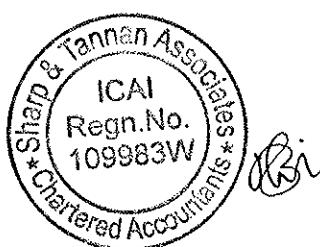
The access to the database for accounting software is restricted only to few users depending on Company's operating and business needs after appropriately designing the internal controls and ensuring the operating effectiveness of such controls.

Audit trail function for database level is disabled by default in SAP. Enabling that feature, can affect the performance of SAP system as whole. Considering above facts, management has not enabled audit trail at database level. Also in respect of maintenance of property, plant and equipment and inventory valuation of WIP records wherein the accounting software did not have audit trail feature enabled throughout the year.

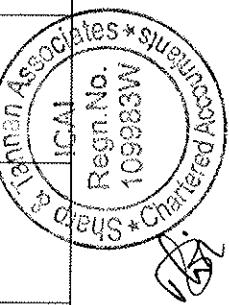
The Company uses services of third-party service provider (ADP India Private Limited) for payroll processing. Further, outsourced vendor is ISO 9001:2013 and ISO 27001:2013 certified. Rule A.12.4, of ISO 27001:2013 requires, maintaining the audit trail of all events / logs including the changes in payroll products – user access controls, change management, etc. Auditors of third party service provider had verified these controls and issue certificate for ISO standards.

Further, there is no direct integration between third party payroll system and TKSL accounting system. Processed payroll data received from third party service provider, is duly verified by TKSL's internal team before accounting the same.

Above mentioned does not impact the internal control environment of the Company.



Sr.No	Ratio	Formula	Numerator	Denominator	2024-25	Numerator	Denominator	2023-24	Variance	Reason for variance more than 25%
1	Current Ratio	Current Assets / Current Liabilities	3,36,557.59	14,01,107.11	24%	3,22,990.16	11,22,062.66	29%	-16.55	
2	Debt Equity Ratio	Total Debt / Shareholders Equity	4,37,753.60	-10,36,462.35	-42%	2,49,266.90	-8,38,640.07	-30%	42.10	The Ratio has reduced due to increase in borrowings
3	Debt Service Coverage Ratio	Earnings available for debt service / Debt Service	-84,414.23	1,31,755.01	-64%	-1,36,860.64	2,74,989.36	-50%	28.73	The Ratio has reduced due to decrease in Debt
4	Return on Equity	(Net Profits after taxes – Preference Dividend) / Average Shareholders' equity	-1,79,246.53	-9,37,551.21	19%	-2,42,715.60	-7,17,221.14	34%	-43.50	Due to Increase in accumulated Losses
5	Inventory Turnover Ratio	Material Consumed / Average Inventory	1,10,852.27	1,25,741.44	88%	3,50,382.17	1,31,963.58	266%	-66.80	Due to decrease in consumption
6	Trade receivables turnover ratio	Sales / Average Trade Receivable	2,75,727.53	51,067.46	540%	5,34,470.47	48,288.78	1107%	-51.22	Recovery of Trade Receivables as per Agreed Terms
7	Trade payables turnover ratio	Material Consumed/Average Trade Payable	1,10,852.27	8,36,447.18	13%	3,50,382.17	6,79,860.35	52%	-74.29	Due to Non availability of Working Capital no payment made to Trade creditors
8	Net capital turnover ratio	Net Sales / Working Capital	2,75,727.53	-10,64,539.53	-26%	5,34,470.47	-7,99,072.50	-67%	-61.28	Due to Increase in accumulated Losses
9	Net profit ratio	Net Profit / Sales	-1,79,246.53	2,75,727.53	-65%	-2,42,715.60	5,34,470.47	-45%	43.15	Due to decrease in Revenue
10	Return on capital employed	Earnings before Interest & Taxes / Capital Employed	-1,33,372.68	-6,16,578.67	40%	-1,98,515.81	-6,07,588.36	52%	-23.90	Due to Current Year Loss
11	Return on investment					NA	NA	NA	NA	
	ROI (current investment)	((Market Value-Cost Price) + Dividend/Other Cash flows) / Cost Price								
	ROI (non-current investment)	((CNW-ONW) + Dividends) / ONW								



The Kolhapur Steel Limited

Notes to Accounts:

(Amounts in Thousand Rupees)

Note 44: DISCLOSURE IN RESPECT OF IND AS 116, 'LEASES'

Particulars	As at 31 March 2025	As at 31 March 2024
Opening right-to-use asset	1,510.31	1,789.14
Net addition / (deletion) during the year	-	-
Depreciation charged during the year	(278.70)	(278.83)
Closing right-to-use asset	1,231.61	1,510.31
<hr/>		
Particulars	As at 31 March 2025	As at 31 March 2024
Opening lease liability	1,616.99	1,834.29
Net addition / (deletion) during the year	-	-
Add Finance Cost	144.90	166.70
Lease payments including lease termination	(384.00)	(384.00)
Closing lease liability	1,377.89	1,616.99
<hr/>		
Non-Current	1,114.79	1,377.88
Current	263.10	239.11

Contractual maturities of lease
payments

Particulars	As at 31 March 2025	As at 31 March 2024
Less than one year	263.10	239.11
Between 1-2 years	289.50	263.10
More than 2 years	825.29	1,114.78

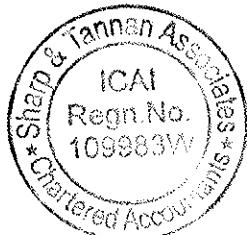
1. The expenses related to payments not included in the measurement of lease liability and recognised as expenses in the profit and loss during the year- low value lease Rs. 222.50 thousand (PY Rs.Nil)

2. Total cash outflow for lease arrangements during the year is Rs.384.00 Thousand

3. Company has not entered into any sublease arrangements.

The carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset.

Class of Asset	Depreciation For the year		Addition during the year		Carrying Amount	
	2024-25	2023-24	2024-25	2023-24	As at 31 March 2025	As at 31 March 2024
Plant and Machinery	278.70	278.83	-	-	1,231.61	1,510.31



ABR

The Kolhapur Steel Limited
Notes to Accounts:

Note 45: Going Concern

Financial Position of TKSL and Plans to overcome the current financial stress:

The company has taken various strategic initiatives in last couple of years which have resulted in significant orders value in hand and in addition order expected worth of Rs 1,64,000 Thousand in the 1st quarter which is already technical and commercial evaluated and confirmation received from various customers, which will ensure sustainable revenue growth in upcoming years.

Though the company reduce its top line, however the loss is also reduce as compare to earlier years. It is still to recover the entire fixed cost in a current financial year. However, with the in-house RT facility, newly appointed skilled manpower and focused approach on cost reduction, the company will be able to recover the entire fixed cost gradually in the upcoming quarters. The Company successfully implemented the VRS scheme and partially reduce employee cost which will contribute to reduce loses.

The company is also working on the revival of the customer base and adding new territories to increase the market participation and improve in the overall cashflow and financials.

Considering all the above strategic initiatives and urge to improve the market penetration which will result in significant growth in business company is confident to run the business on a going concern basis consistently in future years.

Also, the Ultimate Holding Company (Kirloskar Brothers Limited) is fully committed to support the Company to meet all its financial liabilities and in this regard the management of the Ultimate Holding Company has issued a comfort/support letter.

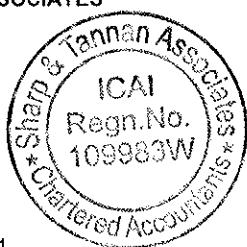
Based on the above scenario, the company has prepared the financials on Going Concern basis.

Note 46: Other Disclosures

- a) The Company is in the process of merging with holding company Karad Projects and Motors Limited. This proposed merger scheme is subject to all applicable statutory and regulatory approvals. Necessary application is submitted with NCLT.
- b) During the year Company has changed its register address from "Pune Bangalore Highway, Shiroli (Pulachi), Taluka - Hatkanangale, Kolhapur – 416 122" to "Yamuna, Survey No. 98/(3-7), Plot No. 3, Baner, Baner Gaon, Pune, Haveli, Maharashtra, India, 411045"
- c) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- d) As required under section 203 of the Companies Act, 2013, the Company has appointed a Chief Financial Officer (CFO) Mr. Ananta Das with the effect from 21 April, 2025 in place of the then CFO Mr. Avinash Yadav, who resigned from the position of CFO of the Company with effect from the closing hours of 24 December, 2024
- e) Previous Years figures are rearranged and regrouped wherever necessary

As per our report of even date attached
For SHARP & TANNAN ASSOCIATES
Chartered Accountants
FRN- 109983W


Pramod Bhise
Place - Pune
Membership No. (F) - 047751
Place - Pune
Date: April 21, 2025



For and on behalf of the Board of Directors

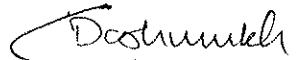


Rajkumar Assudani
Managing Director
DIN:10254310



Ananta Das
Chief Finance Officer
Date: April 21, 2025


Ravindra Samant
Director
DIN:07002226



Gaurav Deshmukh
Company Secretary
Date: April 21, 2025

